Navigating the complexities
of culture change

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Doctor of Philosophy

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Dedication

I would like to profusely thank two main contributors for the support and inspiration during this long thesis. The first is Gai Roper, CEO of Corporate Spirit, who has for the past 20 years acted as a source of knowledge, support, insight, encouragement and challenge as I have striven to understand this topic and my relationship to the topic.

The second is to Emeritus Professor Dexter Dunphy, who has for the past 11 years been an inspiration, collaborator and mentor to my journey to take a stand in culture change within the Australian and New Zealand corporate arena.

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The subject of this thesis has become my career and my passion. I am profoundly grateful to all three parties in helping me to achieve this work as a thesis, as a job and as a vocation.
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Statement of Authentication

The work presented in this thesis is, to the best of my knowledge and belief, original except as acknowledged in the text. I hereby declare that I have not submitted this material, either in full or in part, for a degree at this or any other institution.

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(Signature)
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Abstract
The research undertaken for this thesis synthesises my experience as a consultant in culture and change management, a university visiting lecturer in change management, a business magazine contributor and a student of social ecology. It is the distillation of a drive to navigate the depths and complexities of culture change – to find out what it means in organisations, how it works, why it matters and how culture change in organisations can be facilitated to achieve results for the people who work in them as well as for the bottom line. The questions I pursue include:-

- What is culture in the context of the corporate world?
- What do leaders say about the importance of culture and its impact on performance?
- How can culture change be implemented successfully in organisations?

As part of the 15-year inquiry, 3 phases of research were undertaken.

1. The first phase used a Grounded Theory approach to investigate the theory of culture as discussed in the literature and as conceptualised in the field. One main survey was conducted as part of this phase. Focusing on the Australasian context, I interviewed leading CEOs and Chairmen/Chairwomen to elucidate their views on organisational culture’s role in driving sustainable performance.

2. The second research phase focused on identifying and developing a viable holistic, pragmatic culture framework for organisations. This incorporated a twelve-month global scan of culture models and frameworks in use in dozens of culture change projects all over the world and further development of a working model as its components were progressively trialled in the field.

3. In the final phase, an Action Research approach was applied to comprehensively apply and test the framework through end-to-end, enterprise-wide implementation in two Australian culture change transformation case studies. As part of this process, I revisit the culture change framework and upgrade it.

In the process of conducting over 15 years of research and active consulting in the field of culture change, I have been seeking to navigate the complexities of culture change. This thesis describes this ‘quest’ and my findings. My conclusions revolve
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around the concepts of holistic inclusion of paradoxes, something I refer to as 'Managing the ANDs' – of soft and hard approaches to culture change, focusing on the individual and the collective, the inner and the outer and so on. It resolves in the development of an integral model through which culture change can be mapped, designed, implemented and sustained. It is a pragmatic framework, with associated tools, which maximises the opportunity to deliver sustained culture change.
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0. Introduction

Imagine an organisation full of people who come to work enthusiastically, knowing they’ll grow and flourish and intent on fulfilling the vision and goals of the larger organisation. There’s an ease, grace and effortlessness about the way they get things done. Work flows seamlessly among teams and functions. People take pleasure and pride in every aspect of the enterprise. There’s a lot of energy walking in each day, accomplishing an ever-increasing amount of work and having fun along the way! (Roberts, Senge & Brealey, 1994)

This quote, written as a provocation to reconsider the ways we work and the organisational cultures we create, has captured my imagination since its publication nearly twenty years ago. As I pondered the somewhat idealistic yet compelling vision portrayed in these words, I wondered if it might really be possible for organisations to create a high performance environment that is performance-oriented, rewarding and sustainable? Moreover, if such a vision might indeed be possible, then how could an organisation of this kind be brought about?

After several years of being drawn to the vision Senge describes, I began to see the role culture played in potentially enabling this way of working to exist and to flourish. It alludes to the workers’ values, beliefs and expectations of a healthy way of working. It is demonstrated in their behaviours and attitudes with their ease and effortlessness in the way they do things. It hints of a focus on performance and achievement being able to co-exist with fun and enjoyment. I get the impression if I joined as a new employee, I would be swept along in this positive, focused and harmonious workplace. I would probably find myself reacting and working in a similar manner.

At this point in my career, I was an experienced change practitioner, but relatively unaware of the field of ‘culture’. It was this quote and vision that engendered a sense of hope that this experience could be possible in ‘ordinary’ work environments. This was my introduction to a long journey of understanding the role of organisational culture and the possibility of changing workplace cultures. Senge’s vision inspired me to want to understand what culture is, what role it has to play in enabling such a vision, how to change culture – if at all, and how to help people see the value of focusing on something as complex and seemingly amorphous as culture.
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This thesis is focused broadly on answering these questions. In this chapter, I set the context for the research questions and the subsequent journey of inquiry. I focus on reviewing the literature on culture and culture change, developing themes that begin to form a bridge between the theory of culture and the practice of culture change.

1. Research Context

In 1994, I established a consultancy for a personal development company that applied the principles of personal mastery - changing deep core assumptions, beliefs and values within individuals, larger team and organisational contexts in order to shift performance. At this stage, my focus was in supporting individuals to understand their internal ‘landscape’ and to help them be the best they could be in their work endeavours. Essentially I was looking at how individual and team personal development could be fostered to improve workplace achievement.

One early intervention that began to unlock the question of ‘organised’ workplace change involved a team of trade ‘athletes’ - the Australian World Trade Olympics Team. This was a team of young Australians, none of whom had previously competed internationally and many of whom had never left their small, rural hometowns. The focus of my work with these youths was to develop their ability to self-reflect, meditate to control their minds and emotions at times of high stress, work with their beliefs about winning medals, and change behaviours and work practices both individually and at the team level. My intention was to build a sense of team spirit and a ‘high performance culture’ (although I didn’t know this term at the time) within the team that would support them to win medals. I worked with the individuals, the team and the context in which the team operated, including the support structure, the reward mechanisms, and the policies – all aspects that would sustain the change. This approach proved to be highly successful. The team returned to Australia with the first gold medal ever won by an Australian Trade Skills team, a sense of achievement and a model for preparing future teams.

I observed, first hand, the benefit of investing in individual and team personal development to further workplace achievement as well as the value of focusing on the surrounding work environment in supporting these athletes to be the best they could be.
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The success of this small consulting enterprise was the beginning of an extended action learning inquiry into performance-oriented culture change. I was surprised by the effectiveness of the early interventions and felt encouraged to formalise the research and (tentatively) integrate personal development approaches with the performance elements of organisational development. The field of culture and culture change was becoming a key interest to me.

As I developed further understanding of what was working and not working in different programs, the approach was adjusted and continually refined. Tangible improvements in performance were becoming evident through working with whole groups and their ‘culture’ - in addition to just focusing on the individuals.

In 1997, I joined a large Australian culture consulting organisation. It was here that I was able to immerse myself in culture change work and research, with more formalised culture approaches. The leader, Carolyn Taylor (author of ‘Walking the Talk': Building a Culture for Success, 2005) had been developing culture frameworks, approaches and tools for a number of years. Using those frameworks, I led a culture transformation program for a large Australian retailer and, through this program, was able to initiate my thinking into what might be the common success factors and pitfalls of a large-scale organisational culture change implementation. Essentially, I was able to start building a more cohesive picture of what worked and what did not work in organisational culture change.

I became more involved with the question of workplace culture and how to develop models and processes for implementing effective and sustained culture change. I was beginning to identify gaps in the operational field of culture change. A question was forming around what culture change was and how to deliver culture change when it is such a complex, multi-layered, multi-dimensional field. I imagined there must be some set of practices, some approach that would bring the elements of culture together to enable an organisation to perform to its highest potential.

Out of a study of organisational culture literature and the delivery of multiple culture change initiatives, I sensed that culture change was predominantly approached from a somewhat biased worldview – at least within Australia and New Zealand. In the 1990’s, the majority of niche culture consulting organisations seemed to be focusing on the so-called ‘soft side’ of culture change. This involved a personal development orientation,
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working with the deeply held beliefs, assumptions and values of individuals and groups. While it was effective work in helping individuals and teams to develop and to shift their ways of working, I believed it missed an opportunity to leverage aspects of the organisation to help sustain the change. These aspects involved the more tangible ‘harder side’ of the change, requiring clear performance objectives, measurement platforms, key performance indicators (KPIs) and shapers of the organisation. It also aligned more with the decision making executive's performance-oriented ways of seeing the world, that is, the executive who would ultimately fund any investment in culture change.

By now I had engaged in the challenge of identifying what culture change was about from a pragmatic operational point of view rather than from a theoretical, academic standpoint. I needed to know how to deliver tangible results in what I was beginning to realise was a difficult and complex field of change. Having successfully applied a ‘whole systems approach’ to the Trade Skills Olympics team and a number of other clients, I now had practical experience of the potential for the individuals and teams within organisations to strive to fulfil Senge’s challenge: “accomplishing an ever-increasing amount of work and having fun along the way!” (Senge 1994).

I started researching the literature in the applied field of culture change in order to develop my understanding of the field. Deal and Kennedy (1982); Kotter and Heskett (1992); Tosti and Jackson (1994); and Wilber (1993) were pivotal to my early thinking. I experimented with different frameworks – particularly in developing a model that spanned what I saw as a flaw in the various approaches … either a siloed ‘soft’ or a siloed ‘hard’ approach to culture change. I had the benefit, from an early stage, of being able to apply the models in the workplace and the opportunity to develop and test a more holistic, pragmatically oriented approach to culture change.

In 2000, in joining a large, global consulting organisation, one of my aims in doing so was to explore the more tangible mechanics, the ‘harder side’ of culture change. I was still aware that there were many unresolved questions for me around the field of applied culture change. Having begun my research in the more intangible aspects of culture, I was now seeking experience that would inform the integration of both realms (‘soft’ and ‘hard’) within large-scale culture change programs.
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At this point, my research interest intensified and formalised as I conducted literature reviews and a global study of models and frameworks being used in the implementation of culture change (discussed in Chapter 2). This process helped me identify useful frameworks to test and adapt (Chapter 4). I conducted survey research with leading CEOs and Chairmen/women (Chapter 3), and started to implement my insights in the field (Chapter 5). I realised that I could use my job as praxis while engaged in Action Research. In that context, I had the opportunity to lead long-term change programs within more than a dozen large global corporations, nine of these specific to culture change, giving me the opportunity to implement, monitor, correct, retest and establish improved culture change and change management practices as Action Research.

2. The unfolding research questions

In describing the first phase of heuristic research, Moustakas (1990, p.27) states that:

Within each researcher exists a topic, theme or question that represents a critical interest and area of search. The task of the initial engagement is to discover an intense interest … one that holds important social meanings and personal, compelling implications. Ultimately, these forces come together and form a question. The question lingers with the researcher and awaits the disciplined commitment that will reveal its underlying meanings.

The ‘intense interest’ described by Moustakas instigated and propelled my research pursuits in the domain of the corporate business world. The questions emerged as I left my Systems Engineering career and moved onto a career path that seemed as extreme an opposite as possible – that of personal development, individual performance development and culture change.

I had also undertaken a coursework Masters in Social Ecology that brought my attention to social dynamics, the principles of whole systems and the integration of my personal worldview and ontology with the larger systems of social enterprise, such as business. It introduced me to the validity of an open system of inquiry and the richness of the results of action learning. I suspected that the more holistic approach of social
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ecology would yield greater benefit in problem solving, change management work and organisational development.

In immersing myself in these new fields of human and organisational potential, I understood that before setting out to change culture, I needed to understand more about culture and culture change from a corporate perspective. The starting point was to understand what organisational culture was – to develop a theoretical and operational understanding of the subject.

I explore the definition of organisational culture in this chapter, placing emphasis on specific aspects of culture that I began to see as important when approaching the complexities of culture change.

What is culture – in the context of the corporate world?

My initial literature research (Cameron & Quinn, 2011; Martin, 2002; Schein, 2010; Trompenaars, 1998) indicated that the human values associated with organisational culture were emerging as central to organisational success. However, through my consultancy work at that time, I observed that many leaders and organisations did not seem to take culture seriously, nor were they prepared to invest in the area as a means of delivering performance. Investing in culture was commonly seen as potentially threatening, costly, time consuming, disruptive and with little direct impact on performance.

Given these concerns, it was necessary for me to question my own assumptions about the importance of organisational culture. Was I right in placing emphasis on culture?

I believe such questions around culture change are important for the corporate world. In Australia and New Zealand alone, billions of dollars a year are lost on failed transformations and implementations of new systems, structures, processes, business models and so on. The statistics on failed change projects are alarming. Globally, approximately 59% of major programs fail to deliver on their promise. In Australia and New Zealand, it is considerably more — 66% of all major programs fail to deliver their benefits (Jørgensen, Owen & Neus, 2008). These failed change projects have a direct link to culture - the top two blockers of change success have been identified as ‘changing mindsets & attitude’ and ‘culture change’.
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If 66% of all major change programs fail to deliver their benefits, then I suggest that a much higher percentage of culture change programs fail to deliver on their promise. With culture seen as the leading disabler of change (Jørgensen, Owen & Neus, 2008), then logically one would think it is a sensible place to invest, or at least put focus on, in order to deliver performance.

My question shifted from understanding what culture is to one of understanding whether corporate leaders take culture seriously, whether they see it as having an influence on organisational performance.

In discussing this with business executives, one problem facing the leaders was that there was no clear evidence of a direct link between culture and bottom-line performance. It is difficult to appeal to a CEO, CFO or Board to commit to take on the hazards and costs of a long-term, culture change program without a clear-cut business case, showing links to return on investment. The first phase of my research involved interviewing senior business executives specifically to understand their opinion about whether they saw culture impacting performance.

What do leaders say about the importance of culture and its impact on performance?

To investigate this question, I undertook a series of interviews with a number of successful high-profile leaders in Australia and New Zealand on the subject of culture and performance. I purposely selected leaders who had worked with high performance organisations; leaders who I suspected had contemplated the realm of culture and culture change as part of their leadership remit.

The results of the CEO & Chairperson Survey are presented in detail in Chapter 3. Overwhelmingly, the findings affirmed the importance of culture in building performance organisations. The results were published in a White Paper – A/NZ CEO & Chairperson Survey (IBM, Kirk, 2002). The findings were taken on a roadshow, in conjunction with IBM, across Australia and New Zealand to present to leaders of major organisations, government departments and to the general public.

From the responses of these senior Executives, I sought to distil insights into what high performance organisations looked like – from their ‘hands-on’ perspective. My task as
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a researcher and as a consultant wanting to work effectively with changing cultures was how to work effectively and pragmatically with organisational culture?

How can culture change be implemented successfully in organisations?

Having discovered that the selected senior CEOs and Chairs did indeed place importance on organisational culture, the deeper question was ‘how to successfully deliver culture change?’ How to bring rigour and discipline into such a highly complex and unpredictable area? I was seeking to identify gaps and limitations of culture change delivery – where it worked, where it did not and how to avoid the common traps and pitfalls.

My inquiry identified an apparent split between focusing directly on culture via the ‘soft’ aspects (the beliefs, values and assumptions) vs. working indirectly on culture via the ‘hard’ aspects of organisational operations (KPIs, structures, remuneration and so on). Was it enough to focus on the so-called ‘soft’ aspects only? And if you do manage to change people’s beliefs, assumptions, values and how they identify themselves with their groups - what happens when they return to work after the workshop intervention? What happens when they meet the unchanged systems, processes and technology that continually reinforce old ways of working?

With a shift in career to change management consulting and armed with more tools and techniques to deliver effective change, I became increasingly interested in developing ways to integrate the ‘hard’ performance-orientation of systems engineering with the ‘soft’ orientation of humanistic personal development, social ecology and culture change.

This became an area of focus within the Action Research Phase discussed in Chapters 5 and 6.

I had begun to appreciate just how complex this culture change field of study was. Hundreds of different definitions of organisational culture abounded, some quite contradictory. In such a complex area, there were no ‘simple’ ways to approach culture change, no single tools, no ‘ten steps’ or frameworks that could harness the complexity with repeatability and confidence.
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Navigating the complexities of culture change

These questions (what is culture, what do leaders say and how to implement culture change) became the driving force of my research. As Moustakas advises, they became “an intense interest … one that holds important social meanings and personal, compelling implications” (1990, p. 27). I was seeking a way through the complexities of organisational culture change, attempting to find an approach that supports the implementation of sustained change in a practical, repeatable way.

3. Literature review

My literature search was geared towards seeking ways to facilitate effective culture change – not in studying culture itself. In reviewing the literature, I have therefore been guided by questions such as ‘What does it mean in terms of changing culture?’ ‘What are the implications for culture change?’

In focusing my literature research on the field of organisational/business culture, I am targeting those social research methods that can be applied pragmatically and in alignment with the corporate environment. In doing so, I have maintained a focus on the practical application of theory. Rather than studying the roots and dynamics of the social system in organisations, I have asked whether the cultural system that has formed adequately serves the purpose of long-term performance for which it was intended. And if not, how might it be shaped to better serve that purpose? What elements or factors of a culture might be influential in the reshaping the organisation to deliver on the purpose?

In surveying the literature, a number of themes emerged which were relevant to the research. These themes cover a broad territory – from an initial scan of culture definitions, to understanding where behaviours fit in the definition of culture change, where sub cultures operate, whether cultures could or should be changed, through to whether culture change needs to be cognisant of its external environment and subsequent performance required.
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The following literature review is organised around a number of themes that arose:

3.1. What is culture?
3.2. Culture as a homogenous/heterogeneous phenomenon
3.3. Culture and Performance
3.4. Working with culture change

3.1. What is culture?

A multitude of culture definitions exist, spanning from highly academic and theoretical to those that are colloquial and practitioner-oriented. In 1952, Kluckhohn, Krober and Meyer (cited in Cameron & Quinn, 2011, p 18) identified 150 definitions of culture, a number that has substantially increased in the last 50 years.

3.1.1. Culture as a shared set of beliefs and assumptions

Whilst the definitions vary widely, most agree that culture involves ‘shared’ or ‘common’ attributes. Schein (2010, p 16) analyses over 26 researchers looking at the underlying forces of culture and concludes that all describe “things that group members share or hold in common”. He describes culture (p 18) as a “pattern of shared basic assumptions learned by a group as it solves problems…” These aspects have enough validity that the individuals can teach newcomers “the correct way to perceive, think, and feel in relation to those problems”.

Bate (1994, pp. 196-7), referring to Hill and Jones, reinforces how culture strongly influences people’s communications and relationships. He discusses organisational culture broadly as a grouping of norms and values common to groups in organisation. These norms and values have a controlling influence on how people within the organisation relate to each other and with stakeholders inside and outside the organisation.

Schein’s (2010, p 24) concept of defining culture is based on how observable it is to the eyes and ears using a three level model of culture to depict this. At the most visible are artefacts, less visible are espoused beliefs and values and most hidden are the basic underlying assumptions. This consistent focus on the individual’s and the group’s inner world of shared values, beliefs and assumptions indicates strongly that any culture change activity needs, in some way, to take into account and address these inner aspects of culture.
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 Whilst culture is essentially about how a group of individuals develops a shared set of meanings, values and assumptions; the link between culture and how people behave is an important one. Trompenaars (1998) identifies culture as "a shared system of meanings", reinforcing that culture not only impacts how we think and solve problems, but also how we act. “It dictates what we pay attention to, how we act and what we value” (p. 13). It is the behaviours and decisions that ultimately impact performance and tend to give an indication about underlying cultural beliefs and values.

 Importantly for changing culture, culture seems to have a ‘corporate memory’. Kotter and Heskett (1992) point to the continuous nature of culture by defining culture (relating to the culture field’s origins in social anthropology) as “the qualities of any specific human group that are passed from one generation to the next” (p. 3).

 Denison (2012, p.3-5) also emphasises this changing, learning aspect of culture defining it as reflecting “the lessons learned over time”. He comments that “the lessons of the past shape our survival strategies for the future”.

 A common colloquial definition of ‘what culture is’ simply refers to the ‘way things should be done around here’. There is some merit in adding to that working definition by including ‘the way we work around here … when we think management is not watching’. There is an implication of conformance and compliance in the way culture helps a group to have shared meaning, values and assumptions – shared ways of working and acting – whether or not management is supervising or not. There is a memory and a form of invisible ‘guidance’ in the ways people are to work.

 Lahiry (1994) explored this notion of culture’s influence on conformity through applying pressure on people to engage in shared ways of behaving and working. This pressure to conform is observable when people are frozen out of social grouping if they operate outside of the norms. A literal example of Lahiry’s ‘pressure to conform’ took place in one organisation which had some unvoiced practices about the speed of outputs on a manufacturing line. When a newcomer came in and operated at a higher rate of performance and thereby threatened the status quo, they were shown – in no uncertain terms – how to decrease their outputs per hour.

 Taking these insights into my consultancy work led me to observe the pattern of adaptation. When most new hires join a culture, they spend a few weeks working out
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what the signals mean and adjust their behaviour to adapt to the surroundings. This adaptation serves to gain the acceptance necessary to produce results. Some newcomers resist adaptation and endeavour to change the culture — to make it fit their worldview. Some survive as contrarians, continuing to behave against the flow of the culture, some are tolerated by the culture as rebels or ‘different’.

Some form of sorting process seems to take place, consciously or unconsciously, to identify whether a newcomer is a ‘cultural fit’ with the prevailing shared meanings and ways of operating. This would be an important aspect for me to take into account in designing culture change interventions. In working with groups to look at their internalised values and beliefs and in supporting them to find new ways of operating, it would be necessary to ensure that those individuals and teams still had a sense of belonging within the organisation’s culture. Whilst aiming to shift the culture, a culture change program needs to be cognisant of groups of individuals needing to have a place of belonging in the ‘old’ culture as well as in the ‘changing’ culture. This reinforced the need to pay attention to building influential champions and change-coalition groups during a transition to help people move from the ‘old’ to the ‘new’.

3.1.2. Culture and Behaviours
If culture tends to be seen as a shared set of values, beliefs and assumptions, with artefacts acting as an expression of culture and in turn reinforcing the culture, where do behaviours and actions sit? There seems to be some debate about behaviours being an aspect of culture or not.

Many definitions of culture do not include the concept of action or behaving – instead they focus on ways of thinking and feeling. Trompenaars (1998) and Hampden-Turner (1998, p 22) do not include behaviours. Schein (2010, p 20) stresses that behaviours do not belong in a definition of culture as behaviours cannot be predictably linked to culture and sometimes occur for reasons external to culture (past history etc). He does, however, place behaviours in his three-level culture model as observable artefacts. Martin (2002) does not refer to behaviours overtly as part of her analysis but refers to structural artefacts that ultimately influence behaviours. The above researchers include a focus on artefacts (symbols, stories, myths, etc) as an expression of culture, but specifically exclude behaviours from their definitions of culture.
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By contrast, Kotter and Heskett (1992) see culture and behaviours as being directly linked. They observe that “culture represents an interdependent set of values and ways of behaving that are held in common and tend to perpetuate themselves, sometimes over long periods of time” (p. 141). They specifically include behaviours as a core part of their definition.

As my research is primarily about culture change, the area of action and behaviour is an important one. Trice and Beyer (1993, p79) also place practices and behaviours within their definition of culture, looking at a combination of cultural substance (shared values, norms, beliefs and assumptions) and cultural forms (the observable symbols, language, narrative and practices/behaviours).

Similarly, Tosti and Jackson (1994) view behaviour as pivotal to culture, asserting that culture-based behaviour is usually linked to an underlying belief or value. Where a belief and set of values are strongly held within a sub culture, the behaviours will tend to be reasonably consistent and predictable. They focus keenly on behaviours and practice by linking culture and performance through two interdependent paths – the more tangible strategy, goals, objectives and the less tangible culture (values, practices, etc).

Some researchers view behaviour as the most obvious observable aspect of culture. Cameron and Quinn (2011, p.19) suggest Schein’s three level culture model needs a fourth element – that of ‘explicit behaviours’. From their perspective, changing culture requires directly addressing each of the four levels of culture.

I categorise behaviours as a manifestation of culture, not as ‘culture’ itself. Behaviours and decisions are often a result of the shared meanings, values, beliefs and assumptions, but as Schein (2010) states, they are not always a direct result of culture alone. Schein comments that it is only when one understands the underlying shared meanings and values within the culture, that one can make cultural sense of the behaviours.

The question of behaviours and their role in culture diagnosis vs. an actual culture change is an important one. For culture to change, people ultimately need to act differently for a sustained period of time. Along with Trice and Beyer (1993) and Tosti and Jackson (1994), I view behaviours as pivotal in changing culture. As part of the
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research, I needed to ascertain the place behaviours needed to take in both informing culture and changing culture.

3.1.3. Culture and culture-enforcing structures

Martin’s (2002, pp. 56-58) review of the field identified 12 different definitions of culture. These vary from focusing on culture emphasizing subjective interpretations (via meanings and understandings) through to definitions combining ‘material manifestations’ and conditions such as the size of office layouts etc.

One example of a definition that emphasises the combined subjective and materialist aspects of culture is that of Sergiovanni & Corbally (cited by Martin, 2002, p 57), who describe culture in terms of ‘the systems of values, symbols, and shared meanings of a group’. They refer to cultural artefacts as values and meanings which are embodied in ‘material objects and ritualized practices’ (the habits, rituals, customs, norms associated with rites, stories and objects).

This inclusion of materialist aspects within the culture definition raises the question of whether the structures that Martin refers to as ‘materialist’ are actually part of culture or not. Schein includes observable, less tangible artefacts in his model such as rituals, stories, myths, habits, norms. He also categorises tangible and structural manifestations of culture such as structures, charters, technology, and physical environment as cultural artefacts.

Both Schein (2010) and Martin (2002) use these materialist/structural artefacts to further diagnose the organisational culture. When considering effective ways to change culture, these tangible, materialist aspects (KPIs, organisation structures, HR levers, salary, structures, reporting relationships, office layouts, processes, systems and so on) would seem to be a critical priority to focus on, but a number of theorists (Schein, 2010; and Martin, 2002; amongst them) do not seem to focus as much on these as significant primary levers of culture change.

Given my focus on changing culture, it was important to find a way to acknowledge the function of behaviours and materialist structures in relation to culture. I concur with Martin’s (2002) idea of a ‘cultural superstructure’ which includes (the less tangible) values and assumptions but not the materialist tangible elements. These ‘material aspects of working life’, Martin suggests, could be seen as a ‘structural base’ -
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separate from culture – ‘essential to consider but not defined as part of culture’ (p 57). Denison (2012) devotes the closing chapter of his book to making culture change stick through the exposure of ‘routines and habits’. He believes that routines ‘link the abstract and concrete levels of culture’ and in exploring those, practical action is identified which grounds the somewhat vague idea of a better future in real time and tangible activity.

In working with culture theory and the actual experience of culture change throughout the research, I noticed a habit that downplays the importance of these ‘structural base’ elements. Often culture theorists not only exclude the tangible ‘materialist’ operational structures from discussion within their definitions, but also they would mention it only briefly in their culture change models.

For example, in their nine steps for initiating organisational culture change, Cameron and Quinn (2011, p. 112) devote one paragraph of their Strategic Action Agenda, (one item of five), to point out the necessity of addressing process change which includes business processes such as designing, engineering, manufacturing, delivering and servicing products that may need to be redesigned for change to last. In Schein’s list of eight activities for creating the psychological safety that enables organisations to change, his final point is to ensure that ‘Systems and structures are consistent with the new way of thinking and working (Schein, 2010, p. 307).

This treatment of operational structures within the context of culture change could suggest an assumption that examining the substance of culture (the artefacts, values, beliefs and underlying assumptions) might be sufficient to motivate managers and leaders to undertake the (daunting) task of changing all the operational structures to support the cultural changes they identify as necessary. It also could assume they have the skills to embark on such significant change. From my experience of conducting or overseeing hundreds of change management programs, the reality of expecting an organisation to be responsible to shift the operational culture shapers in a coherent and disciplined manner is usually diminished in scope, time, effort, capability and resource; or it is ultimately ignored. Nor is any focus usually placed on managing the integrated changes across the various shapers – something that is a complex program management task even for PMO (Program Management Office) specialists.
Could this failure to address the tangible, ‘hard’, operational structures be a contributor to culture change programs failing? This issue of how to integrate the ‘hard’ levers in culture change with the more complex and subtle ‘soft’ elements of culture became central to my research.

### 3.2. Culture as a homogenous/heterogeneous phenomenon

The literature on organisational cultures makes a number of distinctions which are useful when embarking on the ‘how’ of culture change implementation. One relevant distinction is that of strong cultures vs. weak cultures. There has been much debate over the past two decades over the benefits of having a strong, highly aligned, universal culture vs. a number of sub cultures all with some aspects of the overarching organisation’s culture; but also revealing their own specific cultural values, traits and habits. Another valuable distinction is made through categorising cultures as homogeneous or heterogeneous. Kotter and Heskett (1992) maintain – as do many other researchers – that all organisations have multiple cultures, ‘usually associated with different functional groupings or geographical locations’ (p. 5).

#### 3.2.1. Strong cultures

In the 1980’s, some researchers saw a strong culture as an asset, linking successful organisations such as IBM, General Electric, Proctor & Gamble and 3M with strong cultures. Deal and Kennedy (1982) observed that early leaders of US organisations believed that strong culture “brought success … communicating exactly how they want their people to behave. They spell out standards and acceptable decorum” (p. 59). Deal and Kennedy discuss the same principle seen in the growth of strong and stable companies in Japan, South Korea, India, Taiwan and now China.

Much of the prevailing thinking of the 1980’s and early 1990s reinforced the view that companies that were successful over a long period of time seemed to display a strong culture. Signs of such strong cultures included clear alignment between what is expected of the employees and what is done, predictably, across the organisation – the values are aligned, behaviours are predictable, the organisation has a clear sense of what it is, what is important to it, and how people are expected to perform.

However, I have worked in a number of strong, successful cultures that are firmly aligned to their magnificence, even in light of the objective data of their actual declining
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performance. As Trice and Beyer (1993) observed, strong cultures do not always lead to success. ‘The very strength of the culture could serve to discourage needed change’ (p. 22). Kotter and Heskett (1992, pp. 70-71) found from their research that strong cultures appear to share three general components with unhealthy cultures. First, managers tend to be arrogant. Secondly, managers tend not to value customers, stockholders and employees highly. And thirdly, the cultures are hostile to systematic approaches to change.

The earlier viewpoint of strong cultures being an advantage in leading an organisation to success has become largely discredited with the failure or demise of many of those once great companies. As a participant in an Executive Program in Strategic Change at Harvard some years ago, I studied successful global organisations and their transformation journeys over long periods of time. Of the case studies presented (IBM, Kodak, Siebel, Hewlett Packard, Polaroid, Athens Olympics, Ideo, Netscape and Microsoft), the majority had strong cultures and yet either nearly failed (IBM) or did fail (Kodak) as viable businesses.

A common denominator in the strong (and potentially doomed) cultures was an arrogance that the organisation had been sustainably successful over the years and therefore knew better than the market feedback. In doing so, they ignored the signals. A classic example was Kodak failing to position itself successfully for the new wave of digital technology. Although the specialist groups within Kodak did identify and predict the digital technology opportunities, Kodak’s strong culture actively prevented the changes from being adopted and marshalled its forces to maintain the existing film technology paradigm. It seems that strong cultures can be dangerous if allowed to become too arrogant, unchallengeable and ultimately resist diversity of thinking and major change.

More recent research is now questioning the validity of linking strong cultures with successful organisations. For example, only three of Sackmann’s review of 55 corporate culture studies reported any correlation at all with performance and strength of culture, and even then the results were mixed. (Ashkanasy 2011, p212).

3.2.2. Sub cultures
Kotter and Heskett (1992) maintain that multiple cultures exist in all organisations – usually “associated with different functional groupings or geographical locations” (p. 5).
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Both Schein (2020) and Trice & Beyer (1993) devote much attention to the concept of multiple cultures including macro cultures, sub cultures and micro cultures, each having their own set of shared assumptions.

In each of the culture change transformations I have observed, I found varying degrees of homogeneity in the culture – often relative to how ‘strong’ the culture was. The stronger the culture, the more homogeneity I found at first glance. However, as I worked more closely inside the organisation a variety of underlying themes and behaviours was evident, based on geography, power base, level within the organisation, role, department, profession and so on.

Personal observation, particularly within mergers & acquisitions, show sub cultures often having stronger identities and cultures than the overall organisational culture (which can even subvert culture change efforts). In one of the case studies, when the organisation decided to replace regional managers with national market managers, the loyalty to and patronage of the regional managers simply went underground, their influence directed toward supporting the transformation project. After about four years, the organisation reinstated the regional manager role, having realised that people needed to have someone they could go to who had both organisational authority and local connection. The trust and respect that had built over years could not be transferred to a relative stranger, connected by organisational structure alone.

This identification of sub cultures is a useful one when diagnosing and designing culture change interventions. Not only is culture diagnosis needed at an organisation-wide level, but also at the level of sub cultures to understand the “distinct patterns of shared ideologies and distinctive sets of cultural forms” within the sub cultures (Trice and Beyer, 1993, p 175). In a similar way, I will need to ensure that culture interventions are relevant at a sub culture level.

There are some predictable patterns of culture within sub cultures. Schein identifies three generic sub cultures – the Operator, the Engineer/Designer and the Executive – each with different assumptions and ways of operating which can, and often are, in conflict with each other (pp 57-67). The Engineer/Designer is concerned with how the technology is used and oriented towards useful products and outcomes. They tend to be highly attuned to their external professional sub culture. While the Executive is
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cconcerned with the financial health of the organisation, the Operator is focused on the people, capability and commitment of getting the job done.

The sub culture delineation is not fixed, with regular movement of individuals and groups between sub cultures (Trice and Beyer, 1993, p 175). This needs to be taken into account when implementing culture change, as forcing members to move into new sub cultures can be stressful and can lead to considerable and unnecessary resistance by the members.

The notion of sub cultures generates some questions that are relevant to the design of culture interventions. Questions include whether Schein’s three generic sub cultures are in fact sub cultures or whether they are specialist worldviews. At this point, a decision would be needed whether a culture intervention needs to be purpose-built for the sub culture or whether all that is required is a focused choice of language and communication style to be heard within a specific worldview. A further question it raises is how much does one need to continue to differentiate some of the sub cultures at the expense of developing and integrating the over-arching culture?

Newly emerging issues around sub cultures relate to the less-explored ‘Alliance’ ventures – arising from creating bold new alliances with competitors servicing a common client, providers and suppliers forming trading alliances and so on. Whilst little is currently written about Alliance sub cultures, it is likely to become a more pressing concern as organisations move further into new collaborative operating structures and business models.

3.2.3. Integration, differentiation, fragmentation

From a culture change perspective, the idea of sub cultures prompts a question for me of the degree of homogeneity or heterogeneity an organisation’s culture needs to have to deliver on the strategy.

In initially diagnosing cultures, Martin identifies three theoretical perspectives of culture – integration, differentiation and fragmentation. She distinguishes the different types of culture based on their different position on a number of dimensions: orientation to ambiguity, orientation to consensus and the relationship between cultural manifestations (2002, p. 95).
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Within an integration culture, the culture acts as ‘glue’, binding the people together. This involves considerable organisational-wide consensus, internal consistency, clarity and common views about the culture.

The differentiation perspective assumes there are multiple sub cultures, all potentially causing conflicts and clashes. There is consensus and clarity within the sub cultures, but inconsistencies exist between them also. Trice and Beyer (1993) observe that while "few scholars doubt the presence of sub cultures in organisations… some doubt that organisations have organisation-wide umbrella cultures" (p. 13). This is a differentiation perspective of culture.

The third perspective is that of fragmentation, where the culture is ‘ambiguous and unknowable’…there is no one identifiable culture and people shift from one culture to another frequently within the one organisation (Cameron & Quinn, 2011, p 25). Martin (2002) refers to fragmentation as being where consensus is ‘transient and issue-specific’ (p. 94).

While all three perspectives may be seen to characterise certain organisational cultures, like Trice and Beyer (1993), I see that none is the whole culture picture. The majority of organisations I have observed, including those with ‘strong’ integration cultures, have a variety of sub cultures, operating with elements of differentiation and fragmentation.

Cameron and Quinn remind us that the power of culture in striving for success “lies in its ability to bring people together, overcome the fragmentation” (2011, p 25). In working with organisational culture change, I continually look for places of consensus, shared experience and common beliefs. Building a basis of common understandings is usually necessary to achieve change.

In acknowledging the existence of all three perspectives of culture (integration, differentiation and fragmentation), the challenge of the culture change program is to understand where the organisation currently sits in relation to integration, differentiation and fragmentation whilst being clear what the organisation’s strategy is requiring of its future culture. At one extreme, this may require a culture change program, for example, to drive a more integrated culture in the future, or it may require
clear articulation of a ‘loose-tight’ structure, a purposeful mix of integrated and differentiated culture and sub cultures.

3.2.4. Macro and Micro cultures

In addition to sub cultures, the concept of macro and micro cultures is relevant in the design of culture change interventions.

With more organisations operating globally and being required to operate within the strictures of environmental accountability, management attention to macro culture and the cultural differences between nations is increasingly important. There are some fundamental differences in the way people deal with each other which reveal themselves at a macro culture level. Trompenaars (1998, p 8) provides five orientations as a starting point: Universalist vs. Particular (‘rules are rules’ vs. ‘it depends on the situation’); Individual vs. Communitarian (individual rights vs. community responsibilities); Neutral vs. Emotional (does head or heart or familial/tribal loyalties rule business interaction); Specific vs. Diffuse (‘let’s get down to business’ vs. ‘let’s get to know each other before we talk detail); Achievement vs. Ascription (valued by merit vs. cultural status). Added to these are varying relationships with attitudes to time and environment.

All of these are important indicators of cultural difference that need to be taken into consideration in order to integrate many national and ethnic cultures within the context of business culture. In conducting culture change work within one organisation that recently merged with a South African entity, increased attention had to be placed on understanding the larger macro environment. The South African organisation was already working with highly complex issues of language, race, history and diversity but then had to include the further nuances of Australian, New Zealand, and multiple Asian and Middle Eastern cultures – cultural differences that included attitudes and assumptions about business, nationality, ethnicity and religion.

These same principles apply to micro cultures - mini-cultures that form around specific tasks. Members often have multiple specialised skills, directed to achieving a common purpose. Schein gives the example of an operating theatre, combining the specialist skills of surgeon, anaesthetist, nurse and so on (2010, p 67). A micro culture can create a strong problem solving, supportive team culture. As an example within one of the case studies, a mobile health care unit was established with a common purpose of
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providing services to extremely remote Australian communities. The team comprised a driver/logistics co-ordinator, a clinical/medical specialist, a technical specialist and a nurse – reporting to an executive sponsor. The micro culture they established – travelling long distances, staying in remote and isolated communities with few, if any, facilities and struggling to provide high quality health care in hot, dry, dusty and sometimes dangerous settings – enabled them to operate highly effectively in a very different mode from the ‘home’ culture of the organisation.

3.3. Culture and Performance

The relationship between culture and performance continues to be debated. Intuitively it seems obvious, and indeed many of the founders of today's great companies believed unequivocally that the culture of their companies would be the element that would underwrite their success. It is, however, a difficult case to prove. Sackmann states in her article on Culture & Performance (Ashkanasy 2011, p.191, p.195) that empirical studies between 2000 and 2009 demonstrated interest in culture and performance remains strong, particularly across Europe and Asia. Studies had globalized, become more specialised, methodologies become more sophisticated with new programs and streams of research emerging. According to Sackmann, measurement of culture and performance remains problematic due to the diversity of performance measures and different research settings, making direct comparison impossible.

3.3.1. Is culture important - from a change management perspective?

OO+NT/P=EOO (Old Organisation + New Technology or Processes = Expensive Old Organisation) is a formula used by IBM to emphasise the point of view that investing in new technology and new processes as a means of transforming an organisation and delivering hard benefits often ends in under-delivery of the benefits. The organisation does not change just because technology and processes are applied to it. Something else is required in order for the organisation to change.

It is disturbing just how many important and costly transformations, IT and process re-engineering initiatives fail. The business world is littered with the failures of big change projects. If not outright failure, then failure to achieve the intended benefits. The rule of thumb in the change-practice industry is that seven out of 10 multi-million dollar projects fail – a statistic that hasn't changed much over the past 15 years.
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The Gartner Group (US/Euro Survey, 1998), researched why so many change programs failed over a decade ago. Survey interviews of 1,300 European and US companies reviewed the common causes of failure revealing that three out of four multi-million dollar change projects failed. Of the top 10 barriers and success factors, the majority were around people and collective behaviours.

Table 1: 1 – Barriers and Success Factors to Program Delivery
Source – Gartner (1998)

<table>
<thead>
<tr>
<th>Top 10 Barriers</th>
<th>Top 10 Success Factors</th>
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<tbody>
<tr>
<td>% of companies</td>
<td></td>
</tr>
<tr>
<td>Competing resources</td>
<td>48%</td>
</tr>
<tr>
<td>Functional boundaries</td>
<td>44%</td>
</tr>
<tr>
<td>Change skills</td>
<td>43%</td>
</tr>
<tr>
<td>Middle management</td>
<td>38%</td>
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<tr>
<td>Long IT lead times</td>
<td>35%</td>
</tr>
<tr>
<td>Communication</td>
<td>35%</td>
</tr>
<tr>
<td>Employee opposition</td>
<td>33%</td>
</tr>
<tr>
<td>HR (people/training) issues</td>
<td>33%</td>
</tr>
<tr>
<td>Initiative fatigue</td>
<td>32%</td>
</tr>
<tr>
<td>Unrealistic timetables</td>
<td>31%</td>
</tr>
<tr>
<td>Ensuring top sponsorship</td>
<td>82%</td>
</tr>
<tr>
<td>Treating people fairly</td>
<td>82%</td>
</tr>
<tr>
<td>Involving employees</td>
<td>75%</td>
</tr>
<tr>
<td>Giving quality comm’s</td>
<td>70%</td>
</tr>
<tr>
<td>Providing sufficient training</td>
<td>68%</td>
</tr>
<tr>
<td>Using clear performance measures</td>
<td>65%</td>
</tr>
<tr>
<td>Building teams after change</td>
<td>62%</td>
</tr>
<tr>
<td>Focusing on culture/skill changes</td>
<td>62%</td>
</tr>
<tr>
<td>Rewarding success</td>
<td>60%</td>
</tr>
<tr>
<td>Using internal champions</td>
<td>60%</td>
</tr>
</tbody>
</table>

Gartner 1998

Of note here is that five out of the 10 barriers (change skills, middle management, communication, opposition, HR issues) and all of the success factors are people and culture focused. One could argue that culturally related barriers is higher than 50% as four of the remaining five ‘non people’ barriers are likely to have cultural values and beliefs underpinning them.

This research was over a decade old and the question remained – why do change programs continue to fail and is this failure rate improving over time? Is it still the ‘people’ aspects that tend to undermine projects’ success?

A later global survey (‘Making Change Work’) was conducted by IBM (IBM 2008) interviewing over 1,500 change leaders globally. The purpose of this study was to understand whether change implementation and delivery was improving in the corporate world, if so, how, and what caused programs to continue to fail.
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The ‘Making Change Work’ results (IBM 2008) started to close the gap of ‘why invest in culture?’ In Australia and New Zealand, 66% of all major programs were found to fail to deliver their benefits. More tellingly, the leading disabler of change was identified as ‘changing mindsets and attitudes’ (59% of respondents ranked changing mindsets as the number one blocker to change), with the second most disabling element being corporate culture (49%). The first and second blockers to successful change were directly culture related.

Culture seemed to be at the centre of successful change.

3.3.2. Is culture important – from an enterprise-wide perspective?

According to Juechter, Fisher and Alford (1998, p. 63), culture, “defines the boundaries of an organization’s ability to function”. This suggests that no amount of extraordinary change programs or supporting infrastructures and policies will ensure sustainable high performance in an organisation. If the culture and the prevailing set of attitudes and behaviours are restraining and unhealthy, ultimately the organisation’s long-term performance will reflect this.

One hundred years ago, some business leaders instinctively knew, perhaps more clearly than today, of the role of culture and performance in an organisation. Tom Watson Jnr, CEO of IBM in its start-up days, clearly believed that culture and values outweighed the traditional performance drivers.

The basic philosophy, spirit and desire of an organization have far more to do with its relative achievements than do technological or economic resources, organizational structure, innovation, and timing. All these things weigh heavily on success. But they are, I think, transcended by how much the people in an organization believe in its basic precepts and how faithfully they carry them out. (Kotter & Heskett, 1992, p. 17)

Early landmark research conducted by Kotter and Heskett (1992), asked whether corporate culture affected long-term economic performance. Their methodology included four distinct studies in leading US organisations over a 12-year span (1978 to 1989).
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Table 1: 2 – Kotter and Heskett’s Culture Research
Source: Kotter and Heskett ‘Corporate Culture and Performance’

<table>
<thead>
<tr>
<th>Study 1</th>
<th>Study 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong cultures</strong>&lt;br&gt;• Studied 207 of the largest firms in 22 industries.&lt;br&gt;• Does strength of culture affect performance?</td>
<td><strong>Strategically appropriate cultures</strong>&lt;br&gt;• Examined 22 of the firms in study 1 in greater depth.&lt;br&gt;• What do the most successful do that differentiates them from the least successful?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study 3</th>
<th>Study 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low performing cultures</strong>&lt;br&gt;• Closely examined 20 firms that had cultures that hurt economic performance.</td>
<td><strong>Companies who initiated major culture change</strong>&lt;br&gt;• Studied 10 companies that dramatically changed their culture and benefited economically.</td>
</tr>
</tbody>
</table>

Their in-depth study of 22 of an original 207 large, US organisations (1992) found that culture helped the company performance of the 12 higher performing (of the 22) organisations and culture hurt the lower performers. Only one in 75 interviewees said, “the culture of one firm had little or no impact on its performance” (1992, p. 35).

Table 1: 3 – Kotter and Heskett's Links between Culture and Performance
Source – Kotter and Heskett (1992)

<table>
<thead>
<tr>
<th></th>
<th>Average for 12 Firms with Performance-Enhancing Cultures</th>
<th>Average for 20 Firms without Performance-Enhancing Cultures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Growth</td>
<td>682</td>
<td>166</td>
</tr>
<tr>
<td>Employment Growth</td>
<td>282</td>
<td>36</td>
</tr>
<tr>
<td>Stock Price Growth</td>
<td>901</td>
<td>74</td>
</tr>
<tr>
<td>Net Income Growth</td>
<td>756</td>
<td>1</td>
</tr>
</tbody>
</table>

* Cumulative % change over 12 year study period
Source: Kotter & Heskett, ‘Corporate Culture and Performance’

Kotter and Heskett found that cultures of a particular type predictably resulted in an average percentage increase in stock price over a 12-year period of 901% as against 74% for organisations with a different kind of culture. Specifically, the ‘high performing’ organisations had cultures focused on the interests of their key stakeholders –
Chapter 1 – The Culture Journey

customers, staff, shareholders. (The culture had been rated by outside experts as high in simultaneously valuing customers, shareholders, and employees).

Kotter and Heskett (1992) maintained that “cultures can exert a powerful effect on individuals and performance … this influence may be even greater than [factors such as] strategy, organizational structure, management systems, financial analysis tools, leadership etc” (p. 9).

Because this finding was first documented in an earlier business era (1978 to 1989), in 2001 IBM (then PwC Consulting) reviewed the Kotter research for (unpublished) internal use. Taking organisations from the original study, IBM tracked the share price growth from the study’s completion (1989), to December 2005, extending the data over a 25-year span.

Statisticians would have expected a narrowing of the gap between high and low performing organisations due to statistical ‘regression to the mean’ – a phenomenon in which the outliers (both high and low) trend back toward the group mean, with some elements disappearing altogether. However, most of the top-performing companies studied were still in existence (although some had been acquired). Further, they had maintained or even increased their performance levels. The companies that displayed an ‘adaptable culture’ had an overwhelming advantage over lower-performance companies. The results defied statistical predictions – reinforcing Kotter and Heskett’s link between culture and sustained performance.

Denison (1990) has also found a clear, compelling relationship between an organisation’s culture (defined by Denison in terms of mission, involvement, consistency, and adaptability) and bottom-line business performance (defined in terms of profitability, ROA, sales and revenue growth, market share, innovation and product development, quality and employee satisfaction). Denison’s research of more than 1,000 companies of different sizes, sectors, industries, geographies and maturity consistently shows that culture affects an organisation’s ability to change in ways that support sustainable success.

Over 30 years Denison has undertaken several phases of research into the relationship between culture and organizational effectiveness, the first from 1982 to 1995 and the second - more globally informed - from 2003 to 2010. More recently,
2007-2012, he has undertaken research into the relationship of culture and performance over time. He states categorically that “All the companies that we have studied … have viewed their organization’s culture as a key part of their ability to compete as a business” (Denison, 2012, p.153).

Sackmann (Ashkanasy, 2011, p196) surveyed 55 studies of culture and performance, most of which found empirical support for a direct link between culture and performance. Specific dimensions of culture were found to be more positively related to performance than others such as the external orientations of market, customer, adaptation, corporate citizenship, innovation and internal orientations of company identification, team, humanistic-task, quality and entrepreneurship. Sackmann cited, for example, Flamholtz and Kannan-Narasimhan (Ashkanasy 2011, p 210) where customer orientation explained a 46% variance in EBIT, 41% of corporate governance, 38% of performance and behaviour standards and 22% of identification with the company. Similar statistics are repeated in a further seven studies.

Sackmann’s research also revealed a correlation between culture and some variables (Leadership, HR Strategy, HR Practices) that affect the relationship between culture and performance. The correlation was found to significantly impact performance measures.

One may argue on theoretical grounds that the culture concept is closely related to the human side of organization. Hence, close relationships with leadership, employee behavior, and HR practices should not come as a surprise. Depending on the research context, they may even have a stronger effect on performance when considered together.

(Ashkanasy, 2011, p 214)

3.3.3. Culture - Fit to Environment

As a change consultant, I have observed a number of culture change programs over the years that have been unsuccessful over time, in part because they were too inward facing, too insular. Whilst attending to the culture, they were ignoring the external demands of the environment - market, competitive landscape and general performance health of the organisation. In Kotter and Heskett’s (1992) US study of the relationship between culture and performance found that the high-performing organisations had cultures focused on the external environment – defining them as
having been rated by external experts as high in simultaneously valuing customers, shareholders, and employees.

Environmental awareness and fit are important when considering culture change. Bate (1994) develops a Darwinist argument around the importance of environment fit: He argues that the form of the culture on its own is not the “main issue in the survival of an organism or system”. The most critical aspect is the “fit between the form and its environment”... the effectiveness in terms of survival and growth does not depend on form but on how “well suited that form is to the medium within which it has to function” (pp. 71-72). Different environments and external situations require different cultures.

Bate’s focus on external fit is backed by Denison’s model of culture change (1995, 2012) where two quadrants of his circumplex are dedicated to alignment and fit with external realities. His holistic diagnostic measures the effectiveness of the organisation’s Internal (Involvement and Consistency) and external (Adaptability and Mission) while assessing the organisation’s degree of stability (Mission and Consistency) and flexibility (Adaptability and Involvement).

The ultimate high performing organisation, using Denison’s diagnostic, would be a culture supported by an engaged workforce aligned to the organisation’s business strategy (along with its processes and systems) whilst being agile and oriented towards an external customer, market and competitor focus. This essentially is about the culture, the systems and the strategy all positioned within the context of the environment in which it operates.

This combination of internal and external orientation is identified a number of times in Sackmann’s studies. She suggests that a balance between internal and external is ideal for a direct, positive relationship with performance, regardless of industry or country (Ashkanasy 2011, p 210). This reinforces the need for culture change programs to maintain a strong customer and external environment orientation for two reasons. The first, to balance the temptation of the culture to become absorbed in the internal process of culture change and the second, to ensure the culture change process is kept on track and accountable in relation to the external world.

This has an important application for culture change that I will need to consider as part of this research. If there is a tendency for culture change programs to become insular
and miss focusing on the external environment, how do I ensure there is a discipline to include an external orientation? How do I build a balanced focus on internal and external, adaptability and stability?

Schein sums it up … ‘whether or not a culture is ‘good’ or ‘bad’, ‘functionally effective’, or not, depends not on the culture alone but on the relationship between the culture to the environment in which it sits” (Schein, p14, 2010).

### 3.4. Working with culture change

#### 3.4.1. Can/should cultures be changed?

In seeking to find a path through changing culture, the fundamental question has to be raised – can culture be changed? In their study of the field of culture research, Trice and Beyer (1993) identify the complete spectrum of views on whether culture can or should be changed. They give Bennis and Nanus as examples of researchers who believe cultures to be unchanging and can never really be changed. Trice and Beyer cite Dorson as an example of researchers who believe that any culture change emerges spontaneously in an almost evolutionary manner arising from informal interactions.

I hold the position that not only can culture be changed; it can be changed for the better. At the far end of the ‘culture can be changed’ spectrum are those researchers/practitioners who treat cultures as if they are readily manipulated and changeable at speed. Jacoby boldly states that culture should be “moulded to provide the optimal outcome for both the shareholder and the investor” (Jacoby 2008, p.116). He asserts that managers frequently, and wrongly, “regard the organisational culture as sacrosanct … and thwart the organisation’s ability to deliver the necessary benefits to shareholders” (p.117).

Jacoby is coming from an extreme version of the Organisational Development practitioner way of viewing culture. Whilst I am coming from the belief that culture is changeable, I find Jacoby’s objectification of culture to be simplistic and ultimately unlikely to deliver the benefits he seeks. The statement implies that the underlying character of a culture can be easily manipulated and shifted to whatever the shareholders and market require. I do not believe this to be the case.
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From an anthropological viewpoint, culture does have fundamental characteristics and deep underlying values – these foundational deeper elements of culture cannot be turned on their head...easily or sustainably. Schein (2010), coming from this anthropological mindset, has a deep respect for the innate culture and the culture of the founder/s and hence seems to be reluctant to manipulate cultures radically unless absolutely necessary.

Shifting the deepest core values can be a risky business. One example that reinforces how pivotal the ingrained values can be in influencing the direction of an organisation was in the demise of the international accounting firm Arthur Andersen who were held to be complicit in the illegal practices of Enron. At its inception, the founder of the influential consulting company was adamant that Arthur Andersen would never do anything that would support management against the interests of the investors. In its early years the organisational motto was ‘Think straight, Talk straight’ (Wikipedia). New management in the ‘80s, together with pressure on accounting standards and profit targets, overturned those core values. It opted instead for practices that were more risky and opportunistic in nature. Given that values are the bedrock of a culture, the change in values ultimately shifted the priorities and types of decisions being made, including how the organisation viewed risk and so on. This did not pay off for Andersen and the company was disbanded after 89 years as a highly successful business (Squires, Smith, McDougall & Yeack, 2003).

In terms of changing culture, my view is closer to Trice and Beyer’s and Schein’s. Both come from the social anthropological worldview and arrive at the understanding that “cultures do change and sometimes that change occurs as the result of deliberate intervention” (Trice and Beyer, 1993, p18). Schein makes a distinction between ‘evolutionary’ change and ‘managed’ change to be implemented if evolutionary change is too slow or cannot be influenced easily (2010 P 273, 299).

My position is that of an interventionist. I believe that culture can be changed. It should, however, be changed responsibly and in a way that maintains the fundamental core of the values and essence of what has made the culture successful. If culture change is conducted in a holistic manner - working in parallel with the operational structures as well as directly with the culture – then culture change can be deliberate, managed and much of its core program of change delivered within concentrated timeframes.
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3.4.2. The change practitioner’s worldview

Multiple ways of viewing and changing culture exist. Bate (1994) brings a useful dimension, identifying three different ways of approaching culture change. The Anthropologist uses culture as a framework for thinking, to discover, to find out who we are and how we are together. An underlying assumption is that social culture should not be radically changed. The Organisational Development (OD) Practitioner uses culture as a framework for acting, the underlying objective being improvement. The Manager uses culture as a framework for control, the underlying objective being safekeeping. The function of culture is to maintain the status quo … to keep things the same.

It is useful for the culture change practitioner to understand their personal bias. The predilection I bring is towards action and outcomes and the way to sustainably improve the outcomes and achievements … fundamentally an OD practitioner’s lens to culture change. However, I hold much of the anthropologist’s regard for culture and see it as important to only embark on ‘responsible’ culture change – honouring the deep-seated underlying values that reside in the core culture/s. The Manager’s stance adds a useful view when conducting culture change, there is a place for safekeeping of the culture that enables the people within the culture to feel safe and to have some control over the changes. Creating what Schein (2010) describes as ‘psychological safety’ enables the people to feel safe, have some control and ultimately be able to change.

My challenge is to bring a combination of the Anthropologist, OD Practitioner and Manager perspective into the case studies I embark on within this research.

4. Summary - Navigating the complexity of culture change

In researching the culture literature field, it became apparent that there is a depth and breadth to the research and knowledge about culture, yet the research about end-to-end culture change seems to be more ad hoc - lacking in the same depth and breadth. Deal and Kennedy comment that “culture change is still a black art as far as we are concerned” (2002, p164). Although this comment was made a decade ago, with the demise of organisations such as Enron, Arthur Anderson, Bear Sterns, UBS, Lehman Brothers, Merrill Lynch, Fannie Mae, Freddie Mac and AIG, it seems to have retained its relevance now.
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Much literature attention is devoted to understanding, categorising and diagnosing culture. When it comes to changing culture, the literature is often focused directly on working with culture itself, with some researchers giving clear instructions on how to work directly, and in great depth, on the values, assumptions and beliefs; (Cameron & Quinn, 2011; Denison, 2000; Schein, 2010 and others).

The details become less rigorous when referring to changing culture indirectly, ie when using approaches to focus on behaviour change and operational/mechanistic structural change. There seems to be an assumption that working directly with culture (values, assumptions, beliefs) is enough to sustain culture change. Or if the operational structures are called for, it seems to be assumed that ‘managers will address them’. This is a large, specialised and complex task for line managers to take on – especially if it is on top of their ‘day job’ and if they have not previously worked at this level of change.

Culture change needs to balance an internal focus with an external focus, work with the tangible and intangible, navigate the power structures and resistance embedded in multiple sub cultures, micro cultures and all within the context of multiple macro cultures and the demands of the external competitive environment. Navigating culture is a complex journey to embark on. It is not a new field nor is it one that is likely to unearth the single answer to navigating the journey.

Fischer’s definition of culture, quoted by Stephen Linstead (Ashkanasy, 2011, p 323) encapsulates not only the complexity of working with organisational culture, but also the evolution of the thinking of culture thinking, from 1848 to the present.

> Culture is that relational (ca 1848), complex whole … (1870s), whose parts cannot be changed without affecting other parts (ca 1914), mediated through powerful and power-laden symbolic forms (1930s), whose multiplicities and performatively negotiated character (1960s), is transformed by alternative positions, organizational forms, and leveraging of symbolic systems (1980s), as well as by emergent new techno sciences, media, and biotechnical relations (ca 2005).

(Ashkanasy, 2011, p 323).
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This suggests a nuanced and holistic approach to culture change … everything included, nothing preferred and adaptive to external influences; a definition that is as geared to the future as to the past. I find this definition one of the most relevant to my point of view.

Throughout this research thesis, I attempt to navigate the complexities of culture change in a holistic way. I aim to encompass culture change directly and indirectly – ie to attempt to work directly with the assumptions, beliefs and values – as well as indirectly through reinforcing mechanisms such as operational structures (HR practices, capability, organisation structure and so on).

I am not seeking the definitive ‘how to’. Every culture change initiative is different, every organisation is different – which - together with the attending challenges and complexities, make a step-by-step ‘how to’ guide to culture change impractical. What I do seek is more of the form of a broad ‘map of the terrain’; something that provides the practitioner with a framework for them to chart their own course of culture change, specific to the organisation in which they are working. This map or framework needs to help them bridge the gap between culture and the day-to-day operations of the organisation.

In commencing the navigation – attempting to chart a course through the complexity, I knew that at least the steps ahead were clear. My research would broadly follow the following questions:

1. What is culture/change? Why is it important? What do leaders in the field think of culture and its relevance to performance? (Chapters 1 and 3)

2. How do I apply this thinking, using a culture framework or map, to address culture change in a systematic, holistic and performance oriented way? (Chapter 4)

3. How do I apply and test the thinking, the framework and the maps in the day-to-day world? (Chapters 5 and 6).
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Essentially, these questions are addressed in three corresponding phases of research, namely:

- Phase 1 – Conceptual clarity
  Development of theory and understanding of the conceptual field, supported by Grounded Theory – A/NZ CEO & Chairperson Survey
- Phase 2 – Models for application
  Development of a framework with which to apply culture change thinking
- Phase 3 – Application in the business world
  Applied Research/Action Research – Field Studies (two examples).

In Chapter 2, I elaborate on the research methods deployed through the life of this project.
Chapter 2 – The Research Methodology

0. Introduction

In this chapter I outline the research methodology I employed to support the process of navigating cultural change processes in organisations.

Martin O'Brien (cited in Gilbert, 1993) argues that research needs to be “underpinned by a minimum of theoretical scaffolding” (p. 11). My research orientation was qualitative. From within this broad framework I chose Grounded Theory and Participatory Action Research as my primary research methodologies. Data collection methods included survey, interviewing, case study, formal peer group discussion, observation and quantitative measurement.

1. Research methodology

1.1. Orientation

Denzin and Lincoln (1994, p. 11) comment that in researching, one needs to take into account the background of the researcher. My bias is operational and experiential - towards the practical and the pragmatic. These inclinations are apparent in the choice of Grounded Theory, Action Learning and Participative Action Research as the core research methodologies for the study. While I am interested in the theory of culture and of culture change, I sought particularly to investigate how theoretical concepts could be applied in the business world, to see what culture change means in day-to-day situations. I wanted to test the theory with the people responsible for making those ideas bear fruit.

This bias towards the practical is founded on my early training as an IT Systems Engineer, reinforced by two decades with IBM. Personal development and humanistic study opened a new perspective, introducing a completely different worldview. My subsequent career in change management employed both views. My motivation to research was a commitment to finding a holistic and balanced way of working with culture change. I believed culture change should not rely exclusively on either ‘soft’ or ‘hard’ approaches and should be grounded in action, underpinned by theory. Throughout this research journey, my inquiry has been central to my working life with theories and insights being tested in action, as part of my daily work.
Chapter 2 – The Research Methodology

1.2. Qualitative Research

Denzin and Lincoln (1994) describe Qualitative Research as multi-method in focus, bringing an interpretive, naturalistic approach to its subject matter. It “involves the studied use of a variety of empirical materials – case study, personal experience, introspective, life story (narratology), interview, observational, historical, interactional, visual texts, etc, that describe routine and problematic moments in individuals’ lives” (p. 2).

I have deployed a Qualitative Research approach based on Grounded Theory and Participatory Action Research in order to develop appropriate theories and interventions for organisational culture change, namely: What it is, Why bother, What frameworks, maps and tools facilitate the application of culture change and finally, How to work with and implement culture change. These were structured into three phases of research, all deploying various qualitative methods. Each phase addressed specific questions around the nature of organisational culture change. Each phase was iterative and had multiple sub-cycles within it. For simplicity, I do not discuss the details of the sub-cycles, as there were so many (iterative sub-cycles) involved.

- Phase 1 Research was concerned with developing a theoretical frame to underpin organisational culture change.
  - The first part of Phase 1’s research methodology was predominantly driven by Grounded Theory. I started with a general abstract interest in culture and healthy organisations and deployed literature research, collaborative research and a degree of Action Research to continually refine the questions and my theories. Phase 1 is reflected throughout the thesis, but directly in Chapters 1 and 4.
  - The second part of Phase 1’s research involved conducting an interview-based survey, supported by collaborative research and various feedback mechanisms to continually refine my theories that addressed the questions around ‘why bother working with culture change’. Grounded Theory again became the research method of choice, as I relied on emergence as the main form of learning, continually creating and refining categories in order to allow the theories to emerge, be tested and constantly evolve. This aspect of Phase 1 research is reflected in Chapter 3.
Chapter 2 – The Research Methodology

- Phase 2 involved the search, identification and development of conceptual and diagnostic frameworks, maps and tools to help define and communicate how to apply and implement the theories and practices of culture change. Phase 2’s research is discussed in Chapter 4, with the application of the frameworks tested in Chapters 5 and 6.

- Phase 3 was primarily concerned with the application, testing and reflection, retesting (and so on) of applied culture change – Action Research. Over a 12-year period, I applied the developing framework and tools within a range of organisations. The Qualitative Research took the form of collaboration, observation, surveys, interviews, case studies and narratology and covered many sub-cycles. Phase 3 entailed extensive in-depth work in the field. An account of this work is covered in Chapters 5 and 6.

1.3. Grounded Theory

Where Qualitative Research often involves choosing research topics that affect the researchers’ lives, Grounded Theorists, according to Charmaz (2008), “have pursued substantive topics in which they held a decided stake” (p. 163). This has been the case for me. The research questions have been with me full-time for over 15 years and stretch back even earlier... more of a life quest than a set of research questions.

Grounded Theorists’ initial topics in new research arenas provide starting points of exploration, but not of specific research questions (Charmaz, 2008, p. 161). This was my starting point. When I first commenced my study, I was unclear of my questions around culture, let alone a theory in the making. I started with an intuition that if I commenced doing a wide literature scan – of media, articles, thought leadership discussions, I would gain increasing clarity in articulating some of the issues I was observing in the corporate world.

An important element of Grounded Theory lies in the use of emergent categories or themes. Charmaz cites Glaser (Charmaz, 2008, p. 158) as seeing the emergent categories as “objective, general and abstract”. At this point, as the categories and themes started to emerge, I recognised the value of the Grounded Theory approach for my culture pursuit. In the first part of Phase 1 research, the themes developed slowly into a loosely constructed point of view around organisational performance and
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the people factors that contribute to it. The emerging categories that helped move me to this understanding included values, leadership, agility, emotions in the workplace, empowerment, active participation and so on.

Some of the themes were action categories, some involved ways of thinking, and others were characteristics, success factors and so on. As new data was included, each theme refined or re-categorised earlier themes. As I progressed, I sorted the categories that best captured and explained the culture aspects I was questioning. Ultimately this process shaped the categories and my thinking into what Charmaz (2008) describes as “tentative theoretical categories” (p. 163).

Charmaz (2008, p. 155) describes the qualities of emergent research as needing to be inductive, indeterminate, open-ended and offering the ability to pursue unanticipated directions of inquiry; essentially as events unfold, knowledge accrues. I was looking for patterns and themes to emerge in real time. The more a theme continued to emerge, the more I would revisit all the data and material and test it through this new lens – the more themes would be refined, rejected or reinforced. As this process continued, it became clear that the process was one of full emergence and as such placed the research under the auspices of Grounded Theory. It was open-ended, there was no pre-determined end point to this study, and it frequently took me in new and unanticipated directions. I started with assumptions and had to shift my thinking on multiple occasions. One early example was my assertion that the ‘soft’ and ‘hard’ levers of change did not need to (or rarely) co-exist, but the more I pursued the reading and discovery process, the more I felt it was possible, just less common.

Grounded Theory, as Bob Dick (2005) explains, involves paying attention to patterns observed in the research situation and testing the theoretical assumptions through repeated interaction with the situation. The heart of the process, according to Dick, is constant comparison of the concepts and properties that first appear, and with further data, adjusting the theory as the process develops. This is what I was doing repeatedly. As I continued to search for relevant material, I began to perceive distinctions about what made a healthy sustained performing organisation and what did not. The categories became more robust and themes within the categories crystallised. I was starting to develop a point of view about high performance organisations and that culture and culture change might play a part in this.
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Another characteristic of Grounded Theory which resonated with my inquiry was that this “method allows for new properties of the studied phenomenon to appear that in turn shape new conditions and consequences to be studied” (Charmaz, 2008, p. 155). In Chapter 4, I explore and discuss the Cynefin framework (Snowden/Cynefin Institute 1998). Culture change resides within Cynefin’s two unordered domains, those of complexity and chaos. One of the qualities of these domains is that they are unpredictable. In the complexity domain, results can only be understood, in hindsight. In the chaos domain, results are always unpredictable, even in hindsight. Both domains have the shared characteristic that if an intervention is carried out, it will in turn shape and develop new, unplanned conditions and consequences. Again, I was finding this research method was a perfect bedfellow for research into the complex, unordered, open-ended, unchartered, contingent and dynamic (Charmaz, 2008, p. 155) realm as culture change.

One example of this open-ended, unchartered, dynamic research method arose in one of the first executive workshops delivered as part of a culture transformation of a global engineering organisation. We (the culture team, led by myself and a behavioural subject matter expert) had designed a kick off workshop for executives. The subject matter brought us into the realm of complexity (in Cynefin’s terms) which shifted into the chaotic realm when a previously unvoiced issue was introduced. There was a marked mistrust and frustration around the apparent lack of transparency in decision making and communication between the Board and the Executive (explained in more depth in Chapter 5).

This was a digression from the agenda, however, in emergent and Grounded Theory mode, the Culture Team quickly convened and decided to put the agenda on hold and wrap the workshop around this emerging theme. As a result, mid-workshop, we met with the Board members, advised them to model behaviours in the style in which the culture needed to go and briefed them on how to proceed. We then shifted the rest of the workshop in the direction of the emerging issues. In terms of data capture, I had a team member responsible solely for capturing the issues, comments and feedback as well as an artist to capture the stories and themes graphically. This then became key data for study and input into the continual redesign of our culture implementation plan.

Glaser and Strauss (1967) view Grounded Theory as providing its own rigour (albeit a different rigour to that of a quantitative approach). Charmaz (2008) comments that this
Chapter 2 – The Research Methodology

rigour starts with a “systematic inductive approach to collecting and analysing data to develop theoretical analyses” and “offering systematic analytic strategies that combine explicitness and flexibility” (p. 155).

This systematic approach to data capture in action was evident in one of the large company-wide culture transformation programs I led. Although much of the journey and plan had to unfold depending on what presented itself; systematic data collection points were formally established and planned in the setup of the program. As the interventions unfolded, more data collection points were added and others adjusted. The first was to conduct 33 interviews. This, of all the data collection vehicles, was surprisingly the simplest and most valuable. A team of five interviewers analysed each interview daily, adjusting questions as different emergent themes arose. This was an iterative process; every interview led to new analysis, new categories and themes to be coded and new understandings, although a core set of questions remained consistent. This activity contributed to our emergent understanding of the culture, its issues and characteristics. From this early data, we could start to design and adjust the program accordingly.

This data collection process led to a culture diagnostic census for which the culture team again systematically reviewed findings, adjusted assumptions and decisions to date and then, as new themes emerged or greater clarity was gained, the approach was updated. Through the life of the program, more data capture and tracking milestones were added with regular and formal reviews of implications.

An example of one of the responses to emerging themes created was an intervention known as ‘Mythbusters’, where the somewhat chaotic and informal communication channel of the rumour mill was monitored so that (daily or weekly) we could see if particular myths were arising that needed to be countered and addressed. Just monitoring the informal communication channels was a valuable reference point to continue to test and retest the culture hypotheses being developed.

Grounded Theory champions the use of simultaneous data collection and analysis to inform each other. Charmaz (2008) talks about needing to build a “series of checks and refinements into the qualitative process through an iterative process of successive and analytic data collection phases of research, each informed by the other” (p. 156). This was a constant in the larger culture programs. Regular daily and weekly meetings
Chapter 2 – The Research Methodology

were organised to understand what data was being captured both formally and informally. It was all simultaneous and dynamic. The challenge was staying on top of the live, concurrent and simultaneous information flow.

As the research progressed, I appreciated just how valuable Grounded Theory research could be to the field of culture change. One of the tenets of Grounded Theory is that it promotes early analytic thinking and aims to minimise preconceived ideas about the research problem and the data. This, I realised, was a good discipline for culture teams to put into practice. It was imperative that we embarked on the program with as open a mind as possible and assume we did not know what the culture was, assume it would unfold, assume what presented itself may not be what was going on – look underneath and keep testing on an ongoing basis. This was adopted as a team principle to ensure we kept open-minded questioning throughout the program. It was only well into the completion of the first six months of systematic data capture that we started to fully appreciate the nuances of the culture.

By the end of the first two phases of the research, I had a point of view around culture and its contribution to long-term organisational performance. I had developed a clear set of theories around culture change, what it is and why it was relevant. I had developed frameworks and tools that unlocked and informed points of view and formed the foundation for applying the culture change in practice. In my opinion, I was now adding to the body of culture thinking and application. The culture framework and tools I was developing and testing became useful vehicles to navigate the complexities of culture change. Much of this was as a result of using Grounded Theory research methodology.

By the end of Research Phase 3 (the application of culture change), it was evident that Grounded Theory had helped to produce new material by continually refining frameworks and maps during the Action Research implementations. Throughout the implementation phase of the research, I had been using, both consciously and unconsciously, some of the maps referred to in Chapters 1 and 4 – the Denison Diagnostic (2000), Wilber’s 4Q (2000), Cynefin’s unordered model (Snowden, 2002), the newly developed ‘Managing the AND’ tool and so on. These maps helped to keep the approach holistic and to test assumptions, look for emergent patterns and themes, force the thinking to be counter-balanced between the ‘soft’ and ‘hard’ approaches, to search for the ‘completeness’ of the solution.
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In revisiting the Grounded theory approach, I needed to find a way to make these maps more concrete and conscious in the process of culture change implementation. As a result, I revisited Phase 2’s Culture Shaper Framework and developed a health check using the maps to force broader thinking and approaches.

The next task was to apply the thinking in the business world in order to test its applicability and validity. For this phase, Action Research drove the methodology.

1.4. Action Research

Bradbury and Reason (2003) defined Action Research, quoting an earlier publication (Reason & Bradbury 2001) as a:

participatory democratic process concerned with developing practical knowing in the pursuit of worthwhile human purposes, grounded in a participatory worldview. It seeks to reconnect action and reflection. Theory and practice.... More generally, it grows out of a concern for the flourishing of individuals ... and their communities. (2003, p. 156)

This description of Action Research is a fit for the realm of complex culture change; offering a coherent discipline and framework in which to continually test, refine and re-test theories and ideas in the day-to-day world.

Action Research is comprised of “a family of approaches and practices” (Bradbury & Reason, 2003, p. 155), but with a set of common principles at their foundation. These include the following:

- Grounding in lived experience – being both aimed at and grounded in the world of practice
- Developed in partnership – being explicitly and actively participative, undertaken for and by people rather than ‘on’ people
- Drawing on a wide range of ways of knowing, including intuitive, experiential, pre-sensational as well as conceptual, and linking these appropriately to forms of theory
- Addressing significant problems – being concerned with questions that are of significance to the flourishing of human community, and
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- Leaving infrastructure in its wake to sustain large-scale change – aiming to leave some lasting capacity among those involved.

To give a further sense of why and how Action Research was chosen as a central methodology for this thesis, I review each of Bradbury and Reason's principles above as they were deployed in the research.

1.4.1. Grounding in lived experience

The research process is driven by a preference for praxis as the act of applying theory and ideas. It is experiential and action based, with primary emphasis given to testing theories and ideas through ‘real world’ practice in actual working environments, rather than ‘test’ environments. I favour the idea that Action Research is about giving priority to investigating issues through doing, rather than through observation and analysis alone. Much of this research into culture has been experiential, working with a concept around culture, and then putting the idea into practice to see where the model or framework stands up or needs refinement. This predilection towards action and grounded application means that Action Research mirrors my personal and professional praxis as an organisational change consultant.

Wadsworth (1993) describes Action Research as “action intentionally researched and modified”, leading to the next stage of action which is again intentionally examined for further change … a cycle or spiral of action, reflection, questioning, researching, drawing conclusion, evaluating options, planning further action and so on. I have been a proponent of this kind of reflexive action for many years, but as I embarked on the official research process, it brought further rigour and discipline that enriched the process and added value to the output.
In methodological descriptions, Action Research may appear to be a logical step-by-step process, but in application it is often not as orderly. Kemmis and McTaggart (2005) pragmatically warn that the stages: overlap, and initial plans quickly become obsolete in the light of learning from experience. In reality, the process is more likely to be fluid, open and responsive. The criterion of success is not whether the participants followed the steps faithfully but rather whether they have a strong and authentic sense of development and evolution in their practices, their understandings of their practices and the situations in which they practice. (p. 563)

For me, the praxis element of Action Research has resided in an orderly, carefully sequenced and refined process of action and reflection; balanced by translating intuitive understanding (based on prior practice and years of experience as a consultant) into practice and then reflecting on the results (and so the feedback cycle continues). This has led to further realisations which, in turn, have been applied in further Action Research cycles.

An example of this took place early in a global culture program. Part of the culture change ultimately required the organisation to move towards more agility and client-
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focused activity, with the aim of improved revenue, increased client demand and so on. As part of the overarching culture plan, a client initiative was developed (Action Cycle 1a). The first stage of early action was to meet with the Client Executive (Action Cycle 1b), discuss with him the opportunities for working with culture as part of his client work (and the risks of ignoring the prevailing culture in rolling out his client programs). Then we started to identify key behaviours that needed to shift.

A number of subsequent actions were to be implemented as a result of these meetings. When I monitored the results with the culture team (Action Cycle 1c), over a period of several weeks, we understood that the actions were being unilaterally ‘stonewalled’ and prevented from moving forward, for many reasons - all plausible on the surface. On evaluating the inaction (Action Cycle 1d), several other Action Research loops were initiated to build more effective culture interventions inside the client programs. Additional review and modification was needed when further resistance to the cultural change was encountered. Instead, we decided to launch a small set of ‘interrupt interventions’ in various locations that were experiencing performance issues or which could improve their business performance in some way. These Action Research sub-cycles continued for over 14 months just within this one customer area of inquiry.

Figure 2: 2 – Action Research Cycles and their Sub-Cycles
Source: C. Kirk
Kemmis and McTaggart (2005) comment that there is nothing abstract about the Action Research process, “it involves actual practices … learning about the real, material, concrete and particular practices of particular people in particular places” (p. 564).

Through various culture change initiatives, Action Research was used to build a program of change, apply it and then look at how the culture team could take the learning and success from each intervention to further build the working model of culture change. I observed the intersection between Grounded Theory and Action Research methodologies that formed the core of the research process. The Action Research dimension of the methodology took precedence in some interventions, for example, when we needed to test a number of different options to see which ‘stuck’. Ultimately, the Action Research process was grounded but enabled adaptability – a fundamental quality of culture change interventions.

1.4.2. Developed in partnership – be explicitly and actively participative – for and by people rather than ‘on’ people

The core concern for Action Researchers, states Bradbury and Reason (2003, p. 156) is to develop practical as well as conceptual contributions by doing research with, rather than on people. Action Research is often understood to be collaborative, participatory and democratic in nature. Sometimes this leads to the distinction between the researcher and the researched subject becoming, “quite blurred in the course of what is usually a lengthy, collaborative relationship” (2003, p.157).

Bradbury and Reason (2003) refer to the social process of collaborative learning as “Participatory Action Research” which is, “realised by groups of people who join together in changing the practices through which they interact in a shared social world in which, for better or worse, we live with the consequences of one another’s actions” (p. 156).

Undertaking a participatory team approach is central, I believe, to effective culture change work. In each culture program I led, I established a team of co-researchers. Working closely together, a plan was designed, the actions implemented, the feedback systems reviewed, the data gathered and reflected on, the plans revised and so on. The underlying assumption was that the culture change would not follow a predictable path. Rather, the Action Research process enabled the program to be agile, shifting as
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needed when feedback suggested change was needed. The process was engaging and acted as an excellent knowledge transfer vehicle in that co-researchers were exploring and reflecting at every step along the way.

This process was always done collaboratively. The approach was valuable for several reasons, among which was the fact that the plans were too complex for one person to develop. The plans required the ‘safety’ of additional thinkers to ensure the approach was holistic; the planning needed to take into account multiple perspectives; the plans required specialist knowledge from diverse areas of activity; enforcing external viewpoints, and the collaborative group acted as a formal method of engagement, knowledge transfer and on-the-job training and developing capacity for self-reflective learning.

These individuals often represented at least three and sometimes four different groups, who would be assembled at key Action Research review milestones. The first group comprised subject matter experts (often external to the transforming organisation) focusing on one or several of the culture shapers. As an example in one of the large transformations discussed in Chapters 5 and 6, I had established a co-researching and specialist culture team that included a behaviour specialist, a leadership development leader or capability development lead, an engagement and communications expert, a strategy specialist and a people practices lead.

The second group established was the full-time internal culture team; well-regarded and capable staff from the transforming organisation who could co-lead the change, learn from the specialists and hold the perspective of the organisation at all times. Reason and McArdle (2008) refer to co-operative inquiry groups being a combination of co-researchers who are working to contribute to the design and management of the project while also being co-subjects, participating in the actual subject being researched. This was the role of this core team.

The third group also tended to be internal to the organisation. This group comprised part-time specialists in the culture shapers – training, capability development, rewards and recognition, IR, career development and so on. These people formed part of the collaborative team and convened at different milestones within the culture change journey.
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The fourth group I used less often as they acted as an uninvolved, impartial health check for specific initiatives being undertaken by this team, often providing coaching to ensure the thinking of the core team remained aligned and constructive. Each of these teams took part in any number of the reflection cycles of the Action Research.

As a direct result of the Action Research process, I have now developed a process for the selection and induction of these collaborative teams. After many issues with inappropriate core team members being forced on the culture project (the main criteria only seeming to be that they were available), I now invest considerable time and resource in ensuring the appropriate team members are freed from their current roles to be fully committed to the collaboration team/s. This includes ensuring there are appropriate position descriptions, interviews and, if necessary, trial periods. The team, with the right skills and the appropriate mindsets, was proving to be an essential ingredient for successful culture change.

In one program, I developed a fifth collaboration/Action Research team. This comprised the CEO, a newly appointed internal change leader and an advisor to the CEO, along with myself and another external subject matter expert. This group was established as the inner ‘culture think tank’ team. They also became co-researchers, reviewing any important material the culture collaboration team produced, having input on culture issues that needed resolution, fine tuning and adjusting discussions where needed. We would informally meet to perform specific Action Research reflection cycles, particularly where an initiative was confidential, sensitive or where there was a high-impact benefit at stake. Their learning curves were rapid as they were involved in every action cycle and intervention and reflection process.

In each case, the collaboration teams were not labelled as ‘co-researchers’. However, we did have formal roles, principles and agreements that formed a part of the way we were to operate, collaborate, review and so on. As a result, and as I gained more experience in working with the collaborative teams; the relationships became more direct, honest and agile. Decisions were able to be made daily and sometimes hourly between the inner team, transfer of knowledge was improved and solutions and interventions were collaboratively ‘owned’. 
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1.4.3. Draw on a wide range of ways of knowing – including intuitive, experiential, pre-sensational as well as conceptual – and link these appropriately to forms of theory

The conceptual approach is demonstrated in the systematic way I developed the model, drawing on the work of theorists and in the use of diagnostic tools to help build a frame for analysis. However other, more informal ways of knowing were applied that added depth and creativity to the study.

I relied on an experiential approach, going into real-life settings and situations, participating in various ways – designer, facilitator, and critic – to get a feel of existing culture and change processes. This approach also underpinned a number of the interventions deployed which, after careful consideration, were implemented with an action learning mindset … plan, implement, assess and reflect. This led to some unforeseen qualifications and distinctions of the change work and ultimately led to the inclusion of the final culture change framework and toolset.

Intuition played a large role through the heuristic approach of the reflective process. There were times when I had to sit with an issue or conundrum and allow insights to emerge. Equally, there were times when a connection was made in my mind which brought the pieces together into a coherent pattern. An example of this was in actually confronting the ‘either/or’ siloed thinking that so often existed in culture programs – should it be top down or bottom up, should it be soft or hard approaches, etc. I sensed that programs were failing partly due to this either/or thinking. The continued reflection of these conundrums finally resulted in the development of the ‘Managing the AND’ model (Chapter 4) forcing the culture team to address the issues from a holistic ‘and’ perspective.

1.4.4. Addressing significant problems – address questions that are of significance to the flourishing of human community/Leaving infrastructure in its wake to sustain large-scale change – aim to leave some lasting capacity among those involved

This large-scale Action Research often develops from small-group inquiry that becomes the catalyst for large-scale institutionalised change (Bradbury & Reason, 2003, p. 167). Such Action Research may involve groups who may be interdependent but may have never met before. They are bound usually by a “common commitment
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on the part of the group of organisational practitioners … to work together and share insights across the entire community and beyond” (Bradbury & Reason, 2003, p. 167).

This was evidenced in one successful initiative – a CEO ‘Think Tank’ – in one of the culture transformations discussed in Chapter 5. This started with a small group inquiry with a cohesive collaboration team of five people. The issue under discussion was a seemingly ‘intractable problem’, one the business had tried to fix for years and failed. This acted as the common purpose, a question that was of significance to the whole organisation and its stakeholders and of significance to the attendees a ‘noble cause’ to embark on. If this problem could be solved, they would be heroes in the eyes of the larger organisation. This acted as a harmonising vehicle, the group felt aligned in its mission.

The agreed Think Tank initiative was to gather 100 people from cross-functional roles and business units and multiple levels of seniority from both within and without the organisation to undertake a creative problem-solving process. The majority had never met each other, something I believed would help people to step more easily outside of the prevailing paradigm and think more broadly. For one day, their only task was to solve one intractable business problem that the CEO had selected for review. This one day allowed potential options to be identified that would never otherwise have been explored. Some were seemingly outrageous solutions – ironically one of these was the final solution chosen. The group selected a handful of solutions to test and built a formal Action Research process around them, with test groups and milestone reviews. These were later tested and one solution was agreed upon. The result from this one Action Research collaborative intervention was a solution which significantly increased customer throughput and customer satisfaction, reduced headcount and resources.

As a result of this success, I have adopted this format for a number of subsequent problem-solving forums, using broadly the same structure, agreements, upfront principles in collaboration and audience involvement (ensuring the people invited are cross-functional, do not know everyone, represent all aspects of the organisation and so on). This Think tank infrastructure has been passed on to a number of other organisational groups and change collaboration teams who have started to implement it – with demonstrable success.
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Another example was a rollout of a cultural road show which involved getting the whole organisation together in central locations to address where the organisation was going and what that would mean for the employees. This is discussed in more detail in Chapter 5).

A number of these interventions was subsequently built into the infrastructure of the culture team’s ongoing plans and were formalised in the local HR and change champion roles with the local populations. One of the effective (but unplanned) wins that was incorporated into the formal plan and change process was that of the Chairman establishing a regular schedule for visiting local sites after the roadshow, making contact with local staff populations about their day-to-day business. This had a galvanising effect on morale and engagement.

1.4.5. Addressing the Me, Us and Them (first, second and third person inquiry)

Action Research commonly focuses on three groups as part of the inquiry, namely the Me, Us and Them. Reason and McArdle (2008) refer to the individual level as focusing on personal and professional change; the Us as comprising of small groups getting together in the pursuit of a common problem and the wider group – Them, coming together with common purpose, exploring wider social issues, at an organisational level or country level.

First person inquiry is involved in engaging in the process of self-awareness, looking at the area of ‘walking the talk’ – and working with the gap between what people say they’ll do versus what they actually do. This, I believe, is at the core of culture change. This principle was taken into one transformation program’s leadership development program (discussed in Chapters 5 and 6), the development of the core culture team and the development of the change champions; in order to get them to be more self-aware, self-responsible and self-regulating.

This was a long, personal action research process to undertake. A 360-degree behaviour assessment tool was deployed to support this; with the team and individual coaches positioned to promote it. The HR team was accredited to ensure ongoing coaching and development of individuals. Formalising the reflection process in their personal development plans within their annual performance review further supported the process of individual inquiry and self-awareness. This self-reflection was taken into a mass audience in the form of a workshop exercise where each participant was asked
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to reflect on the new organisational values and what they meant to them personally, in their workplace, their life and the relationship of the organisation’s values to their personal values. This served as a means to make it tangible for them, but also to get them to start their own reflection journey.

Second person inquiry “addresses our ability to inquire face-to-face with others into issues of mutual concern (Reason and Bradbury, 2001: p. xxvi). There is a “sense of going public with one’s inquiry”. Second person inquiry was central to many of the culture interventions that were implemented in the large culture initiatives discussed in Chapters 5 and 6. One example of a surprisingly successful implementation of second person action research inquiry was in setting up a Change Champion group.

The purpose of this group was to act as change advocates who would represent the culture change, the voice of the organisation to the executive and the voice of the executive to the organisation. This is discussed in more detail in Chapter 5.

The culture team also developed and delivered a leadership development program which was rolled out to 400 executives, with a focus on developing interpersonal skills, active listening, coaching, dialogue, participative management, constructive conversations, performance coaching and so on. This became a sound vehicle for conducting and developing the skills of second person inquiry, while gaining momentum and buy-in to solving some of the more difficult business issues.

Third person inquiry incorporates taking action research inquiry into the greater social organisation-wide or even nationwide context. It encompasses large-scale and often seemingly intractable issues. The pursuit of culture change represents third person action research inquiry. It has a collective pursuit and purpose, it always involves a large-scale and complex social set of issues, and it demands continual Action Research, reflection and adaptation.

An example of successful, sustained third person inquiry at an organisational, and in some cases, societal level was part of a culture transformation program being delivered in a global telecommunications organisation. Although this was not led by myself, it was a program underway and run, in parallel, by some of my team. This leadership development program was delivered to 38 groups of leaders (600 people), each embarking on an 8 month, 10-module program. One of the tasks they were set,
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as a collective, was to identify, organise and execute a social wellbeing project – to make a positive societal difference, using their skills as a co-operative team, immersing themselves in the social environment, while reflecting on the process, contribution and their learning and its relevance to the workplace.

One example of the success of their Action Research process was an executive group who spent a day as volunteer labour in a charity. As they immersed themselves in the day-to-day business of the disability organisation, they started to realise how much that community was not being adequately served by their own organisation. Inadvertently, they realised they could, relatively easily, make a difference to the lives of the people in the community by adjusting some of the organisation’s existing products and services. In connecting to the community for just one day, the executive team had been able to deliver value to the disability society whilst delivering value to their own organisation by opening up a new market with a potential 20,000 new customers. There were success stories of a similar nature across many of the 38 social action groups undertaken during the program.

2. The research journey

As mentioned earlier in this chapter, the research was carried out in three main phases.

Phase 1 was concerned with developing conceptual clarity, exploring and developing culture theory and undertaking a survey of Australian and New Zealand CEOs and Chairs to understand how important culture change was to leaders of organisations.

Phase 2 focused on taking the concepts and learnings explored in Phase 1 and identifying and developing frameworks and models with which to apply culture change thinking.

Phase 3 endeavoured to take the learning from Phase 1 and deploy the frameworks of Phase 2 into the business world. This was the realm of applied research, Grounded Theory and Action Research.
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These research phases focused on specific questions, incorporated cycles and sub-cycles, which formed a continual set of feedback loops, each influencing the next steps in planning, acting, reflecting and theory generation.

Table 2: 4 – Main Questions and Activities for Action Research Phases

<table>
<thead>
<tr>
<th>Phase</th>
<th>Central question</th>
<th>Main research activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>What is organisational culture in the context of the corporate world?</td>
<td>Literature search A/NZ CEO and Chairperson Survey</td>
</tr>
<tr>
<td></td>
<td>What do leaders say about the importance of culture and its impact on performance?</td>
<td></td>
</tr>
<tr>
<td>Phase 2</td>
<td>What frameworks and maps capture how to work with culture in the corporate world in a pragmatic and useful way?</td>
<td>Diagnostic Research, Culture Framework research, Culture Framework Model development</td>
</tr>
<tr>
<td>Phase 3</td>
<td>How can culture change be implemented successfully in organisations?</td>
<td>Application of culture change programs (7), Case studies (2)</td>
</tr>
</tbody>
</table>

2.1. Phase 1: Developing conceptual clarity – What is culture and why focus on it? (Grounded Theory, Qualitative Surveys)

2.1.1. Phase 1 Overview

Phase 1 was formally initiated when I started work in a leading culture change consulting organisation in the early 1990s. This was an organisation that excelled in the ‘soft side’ of culture change. I sensed that some of the answers to developing sustainable, healthy organisations lay more in the realm of ‘soft side’ interventions – a key reason for joining this organisation. This early sense initiated the first phase of the research. I wanted to investigate whether and how much culture played a part in supporting organisational performance.

I perceived that the work, at the time, was ground breaking and was bringing something new and vital into organisations; but it also seemed limited in not focusing
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on the more tangible levers of organisational change (KPIs, rewards and recognition, organisational structure, and so on). It did not present a balanced view of culture.

The questions evolved towards looking at how the ‘soft’ and ‘hard’ aspects of culture change could co-exist in a more holistic manner. This was at the heart of research in the first part of Phase 1 – understanding culture change, the conceptual theory and the theory in practice.

I was also developing a conviction that organisational culture played a critical role in sustained performance. I observed that culture and culture change did not seem to be taken particularly seriously, nor did it seem well understood in the corporate world in a practical way. I wanted to shift the view of culture as an expensive, intangible mystery and turn it into a practical and essential part of an organisation’s strategic toolkit. As a result, a second key question arose: ‘What do leaders say about the importance of culture and its impact on performance?’ If it is seen as important, then how? What aspects of the culture do you look for to drive high performance? This survey became the foundation of the later part of Phase 1’s research.

2.1.2. Phase 1 – Cycle a – early stages of Grounded theory, global literature review

THEORY (QUESTIONS driving the theory)

The first questions were basic. I had an intuition that the ‘soft’ side - working with people and their values, assumptions, beliefs - was important to deliver sustained performance and healthy organisations. I needed to investigate how others viewed the issues I was facing.

DATA GATHERING

I undertook a two-year global literature review, collecting quotes, insights and examples of positive and negative corporate commentary resulting in a 100+ page document that I called ‘Soul & Productivity’. Its purpose was to educate myself so that I could arrive at my own viewpoint on the subject of balanced, humanistic and holistic organisational performance. I started to review books, magazines, newspapers, interviews and news media and waited to see what would emerge.
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ANALYSIS/REVIEW
First, I found that particular themes were emerging and as I continued to work with this document, a fledgling point of view formed around people and organisational health. The more data gathered, the more clearly themes emerged, the more I became convinced this was a critical and often somewhat neglected area of organisational performance.

Emergent themes started to structure around some practical elements that I loosely labelled as ‘culture’. Early themes included: values, empowerment, stress, retrenchment, bureaucracy, absenteeism, etc. Initially, I was drawn to items that provided insight into my own thinking. Gradually, however, the reading started to influence my thinking, informing my ideas, helping me make distinctions about what contributed to high or poor performance and providing arguments to challenge the viability of present workplace practice. I noticed more clearly what was working and what wasn’t in relation to performance. These findings became relevant in informing the Action Research, surveys and frameworks for Chapters 3 to 6.

RE-THEORISING (leading to new emerging QUESTIONS)
I used the findings from this early phase to inform my philosophy and assumptions around the people and ‘soft’ aspects of organisational health. At this stage, I was starting to engage in the field of culture. I felt that culture was at the heart of the emerging themes, but how and what culture was specifically and how would one succinctly describe this attention to the ‘soft’ aspects of change? I continued to use this document as a reference point throughout later phases, continually refining thinking along the way.

2.1.3. Phase 1 – Cycle b – Grounded Theory global field literature review
DATA GATHERING
Following the initial foray in researching and developing a repository of (culture) themes, characteristics and quotes, I commenced a more targeted search into the literature on organisational culture. As part of this, I spent two years researching the current thinking on culture through case studies, articles, academic and business-based experiences of culture change in the corporate world. This became a cycle of research in its own right as I started over and again to refine my own understanding of what culture change meant.
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ANALYSIS/REVIEW
At this stage, I was developing a personal point of view around culture. I was peeling the proverbial culture onion more rapidly. I identified preferred academics (Bate, Kotter and Heskett, Deal and Kennedy, Schein, Denison, Quinn, Trice & Beyers and so on). I started to seek out leaders in the field with whom I could discuss specifics of culture change further (Emeritus Professor Dexter Dunphy, Carolyn Taylor, Dave Snowden and others).

This first phase formed the foundation work of this thesis; questions arose from this work and the second and third phase were a direct result of this thinking.

RE-THEORISING (leading to new, emerging QUESTIONS)
I now questioned why culture change seemed to be so clearly at the centre of performance, yet was not taken seriously by many organisations. Why not? What was needed to get this subject more firmly on the leader’s radar? How do leaders see culture change? As a ‘soft’ luxury or as a waste of time and resource? It was at this stage I wanted to start talking to the business community and engage them in questions of the relevance of culture change to their worlds. These questions became a pivotal part of the research.

2.1.4. Phase 1 – Cycle c – Grounded Theory – IBM A/NZ CEO & Chairperson Survey
THEORY
The next set of questions focused on ‘How do corporate leaders view the role of culture and culture change in organisations?’ I felt I needed to test the validity of some of the theories I had read in a more practical application – ie, conduct a survey of organisational leaders. Entitled The A/NZ CEO & Chairperson Survey (IBM, 2002) it was designed to assess whether culture was a priority to leaders and if, in their minds, there was a relationship between culture and performance. Within a Grounded theory approach, the methodology included Qualitative Research based on a survey and face-to-face interviews.

SET UP AND DATA GATHERING
As this is a core focus area for the research, a whole chapter (Chapter 3) is focused on the subject, detailing the data gathering and analysis process for the CEO &
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Chairperson Survey as well as the findings. As a result, the setup, context, data gathering and analysis will not be covered in detail in this chapter.

In brief summary, 22 high profile senior Australian and New Zealand corporate leaders were interviewed. The one to two hour interviews were conducted face-to-face. The interviewees were asked a total of 11 questions on the subject of culture and its link to performance, with questions broadly themed around whether the priority leaders gave to culture, whether they saw links between culture and performance and what the leaders deemed as important cultural characteristics for high performance.

ANALYSIS/REVIEW
I analysed the data over a six-month immersion process to identify emergent themes. A collaboration inquiry group was established to analyse and discuss the findings and to test the conclusions.

These themes were refined a 15 page White Paper (Kirk, 2002). This was published within IBM and then presented to the public over a period of eight months.

2.1.5. Phase 1 – Cycle d – Testing the material in the business field with organisational leaders (Grounded Theory)
The final aspect of this survey research was to present the findings to the general public at corporate events and meetings. This not only tested the findings but also led to further refinement of the themes.

2.1.6. Phase 1 – Cycle e – IBM Surveys
My questions around justifying culture change’s importance now started to take on finer distinctions and recalibrations. I had a theory that culture, mindsets and behaviours could play an inhibiting role in the more specific field of change management. I was interested in understanding how much (if at all) culture may block or enable the success of change programs. By change programs, I was referring to any large projects where organisations implement some form of disruptive change (technology, process re-engineering, merger and acquisition and so forth). This led me to initiate the last sub-cycle of Phase 2.

During the period of this research, I was involved in the delivery of a number of relevant and useful global surveys. The findings of one of these surveys, ‘Making
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Change Work’ Survey (IBM 2008) are discussed in Chapter 1 in investigating the role culture has in change program performance.

CONTEXT
Concurrent and subsequent to the completion of the A/NZ CEO & Chairperson Survey, I contributed to two global qualitative and quantitative CEO research projects for IBM. They were the 2004 and 2006 IBM Global CEO Surveys, the purpose of which was to canvass the current organisational issues, challenges and opportunities ‘keeping CEO’s awake at night’. IBM surveyed hundreds of global CEO’s views regarding performance from a whole-organisation point of view.

As a leader within the organisation, I took part in the design of some of the change specific questions and also in some of the subsequent interviewing. The latter survey started to raise the question of CEO’s and organisations’ capability to handle the level of complex change the world was demanding of them.

DATA GATHERING
The results of the 2006 survey led to a number of IBM global change leaders – including myself, investigating the possibility of implementing a targeted survey focused on senior experienced change leaders around the world. The predominant question, ‘What makes change programs fail and succeed?’, led to us developing a third global survey, ‘Making Change Work’ Survey (IBM 2008). The largest of its kind conducted by IBM (and probably globally at the time), the survey canvassed over 1500 change leaders across the globe with a questionnaire and face-to-face interview about change management and leadership. My role was to lead the Asia Pacific design, rollout, analysis and delivery of the survey.

ANALYSIS/REVIEW
Having conducted a number of these interviews across Australia and New Zealand, I then led a team to review, refine and deliver the IBM Asia Pacific and Australia/New Zealand findings. As a result of the study, a global team delivered an externally published Making Change Work White Paper (2008).

Again I realised this work was adding new, important information to the public field of knowledge. Some of the survey results specifically raised the role of culture and mindsets in disabling change program effectiveness with ‘culture’ and ‘mindsets’ being
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recorded as the #1 and #2 disablers of large change programs (IBM 2008). Again, culture was proving to be something that earned the right to be high on the CEO’s agenda.

RE-THEORISING (leading to new, emerging QUESTIONS)
I continued to conduct research into the questions around what culture change was and why it should be high on the CEO’s agenda. One initiative included getting a global team together to explore the future of highly agile ‘On Demand’ organisations and the culture and change tools and approaches available to support such an organisational transformation. Although research studies such as this did continue to inform my theory and point of view, there are too many to discuss in detail as part of this research document. Similarly, I do not detail the Making Change Work findings (IBM 2008) except to highlight the most influential facts as part of Chapter 1.

2.1.7. Summary of Phase 1

An overall reflection of this research phase led to an integration of the information, views and models and a reformulation of my developing point of view and theory.

The survey process had been of great benefit from a Grounded Theory and Action Learning perspective in that it provided an opportunity for self-reflection and development. I entered the process without a strongly held view on the relevance of culture and completed the process with a clear point of view on the subject matter. It was clear to me that the material I was researching was addressing some of the gaps in the business field of knowledge on culture change.

I had begun to answer the first two questions of my research, but a third question had arisen: 'What frameworks and models of culture change, derived from both literature and practice, can be applied to facilitate culture change and improve performance in organisations?’ Or more to the point: ‘What tools and frameworks could help to deliver culture change … successfully’?

2.2. Phase 2: Development of a conceptual framework for culture change (Grounded Theory)

At this point, my curiosity was drawn to the challenge of putting the theory of culture into action and in so doing, the subsequent questions: what culture frameworks and
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maps existed that captured the way of working with corporate culture in a pragmatic and useful way?

2.2.1. Phase 2 – Cycle a – Global review of culture frameworks
Following the global literature research, I sought culture frameworks and models that supported my performance-oriented, holistic and pragmatic approach to culture change.

THEORY (QUESTIONS driving my theory)
A key to this phase was my desire to focus the search in the business world. Were there any useful culture frameworks and tools that were being deployed across the organisation that were a fit for my emerging culture point of view?

DATA GATHERING
I conducted a one-year global review of culture change methodology, case studies, frameworks, tools and research used in the application of culture change projects within the global consulting company in which I worked. At the time, it was one of the world’s leading consultancies, delivering complex change and transformation programs within large, global client organisations and had hundreds of consultants specialising in the field and thousands of combined years of experience in the field of change.

As part of this research, I collated and analysed many presentations of various models and frameworks used to deploy culture change. The questions driving this research were: How do practitioners and theorists work with culture? What useful models and frameworks existed in the field? What practical frameworks do practitioners currently use and which is the most effective?

ANALYSIS/REVIEW
The literature search became focused at this stage. As each presentation was analysed and assessed, reviewing the method used, the approach and the results achieved, I developed a set of criteria through which to analyse and select, coding them for priority. This enabled the qualification and selection of the critical and effective models, frameworks and methods, from my own emerging point of view.

In order to critique my findings, test that my selection and ultimate development of the culture framework was of sound thinking, I entered a formal co-research, collaborative
Chapter 2 – The Research Methodology

relationship with Emeritus Professor Dexter Dunphy, incorporating his global knowledge and experience in the field of change management and culture. I then established an internal collaboration research group of subject matter experts – change management, culture specialists and change engineers – to discuss and review the findings. At this point, I was able to develop global recommendations and a summary point-of-view pack for release to the wider consulting organisation.

RE-THEORISING (leading to new emerging QUESTIONS)
Out of this lengthy reflection and review process (over four years), I brought together the multiple models I had been developing and refining (detailed in Chapter 4) and integrated them into a culture lever model (based on the IBM Culture shaper Framework, Chapter 4). I substantially refined this framework on the basis of my literature reviews, peer feedback sessions and field tests. I further developed a definitive framework with a number of culture recommendations and tools, along with an encyclopaedia of culture material and tools for consultants within my organisation to draw on in their practice.

2.2.2. Phase 2 – Cycle b – Global review of culture diagnostic tools
At this point, armed with a culture framework, culture material and appropriate tools to deploy and validate within client organisations, I found myself attracted to a new question, namely, with so much ‘noise’, both negative and positive, about tools to diagnose culture change, are there any results-oriented diagnostics in the field to holistically (taking into account ‘soft’ and ‘hard’ approaches) and pragmatically diagnose organisational culture in a balanced way? I wanted to identify a model that was robust in terms of breadth and depth of data, global application, academic rigour, commercial viability, ease of use by practitioners and clients and essentially business-oriented.

DATA GATHERING
I commissioned a review of a number of diagnostic tools currently in use in the field and identified 12 relevant culture diagnostic tools. Each was assessed in terms of validity, usability, reference database, external references and degree of link to performance. In order to keep this thesis focused on the core culture navigation questions, (what is culture, why is culture important and how to implement culture change), I have not documented the detail of this diagnostic review.
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ANALYSIS/REVIEW
I worked with Dunphy, a colleague and an external specialist in the field of diagnostics, to assess the tools within the context of a culture instrument that would meet my specific preference for pragmatism, results orientation, business relevance and a holistic view of culture change. This led to the selection of the Denison Culture Diagnostic (Denison, 2000) as the most pragmatic, effective and appropriate diagnostic tool for sustainable culture change. Its particular benefit as a diagnostic tool was that it supported both the depth and breadth necessary for a holistic model of culture change and positioned culture firmly within the context of performance.

2.2.3. Summary of Phase 2
By the end of Phase 2, it was clear that the theories I had formulated and tested with peers, colleagues and organisation leaders around culture change needed to be put into practice and tested in the day-to-day reality of running a business.

2.3. Phase 3: Applied research

2.3.1. Phase 3: overview
The final research phase was concerned with putting culture theory, and particularly the Culture Framework, into practice. I also sought to collate principles and ‘rules of thumb’, critical success factors, risk factors and patterns that customarily emerged on culture projects. Chapters 5 and 6 cover this Action Research phase, reviewing and reflecting on two case studies in detail (and drawing on another seven where appropriate) of change and culture change projects over a period of 12 years.

There were so many iterative sub-cycles within Phase 3 that I do not intend to detail them specifically. For confidentiality reasons, client-specific detail is absent. For complexity reasons and to be practical about the length of this thesis, I have not identified all the interventions and reflections. Instead, I have selected relevant examples of learning, illustrative of particular theories and applicable points.

THEORY
A number of key application questions emerged from the study. One example was to understand if standard change implementations (focusing on implementing technology and process change) would benefit from working specifically with attention to culture? I took this question into dozens of change projects that I led, but focused on two
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particularly – a technology implementation for a national retail chain and a green-field establishment of a call centre for an international airline. Both required specific and authentic behavioural change. It became evident early on in both projects that unless staff changed the way they behaved, what they did and how they did it, the intended changes would not bear fruit. In both instances, I was able to deliver measurable changes in behaviours that ensured the successful uptake of new technology and a restructure.

The remaining questions were focused primarily on how culture change can be successfully conducted (in programs dedicated overtly to changing culture). Given the graveyard of corporate culture projects, it was also important to ascertain some of the points to avoid and critical success factors to include. It was time to test the theory and practice in long-term, enterprise-wide projects.

The following section is brief, as Chapters 5 and 6 are dedicated to deeper analysis of two such projects – a Federal Government Health organisation and a global consulting organisation – both of which provided significant feedback on the theory and its implementation in real situations.

In Chapter 5, some preferred culture frameworks (outlined in Chapter 4) are applied to situations in client organisations, giving examples of my reflections and learnings along the way. In Chapter 6, some of the resulting working ‘rules of thumb’, themes, success factors and practice are explored, culminating from the past 12 years of culture and change projects.

2.3.2. Sample Project 1
DATA GATHERING
With a strong point of view around culture and enhanced performance, I have been able to win and implement a number of successful culture projects. The first, is discussed in Chapter 5, focuses on shifting the organisation from a dedicated federal agency to one which is quasi-federal and fully commercial, something requiring a fundamental shift in its culture. Using relevant frameworks and models and armed with appropriate tools, a culture transformation plan was developed, in conjunction with the CEO and a subject matter leader in the behaviour field.
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With the Culture Framework, it became relatively easy to present a simple plan in graphic form that nonetheless contained many levels of complexity. Each aspect of the plan could be broken down into complex and detailed action plans and managed separately without losing the connection with the whole plan.

### Figure 2:3 – Culture Project 1’s High-Level Action Plan

Source: C. Kirk

**ANALYSIS/REVIEW**

The reflection and assessment involved testing many theories in action, including testing the first application of the Denison Organisational Culture Diagnostic Survey (Denison, 2000) to support and direct the development of the culture. I reviewed progress daily, assessing issues and making adjustments to the program, the interventions, adapting the overarching approach to the changing circumstances. As a team, (the CEO, the behavioural lead and myself), we would review status weekly, track progress, understand our learnings and again make adjustments. This action learning process would sometimes take place half-daily if we were in the midst of a major intervention.

I believe that a key aspect of the success of this project was in the unwavering attention that was paid to the culture shift program, demonstrated by how often we
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were reviewing, reflecting and adjusting. This resulted in a very agile program, purpose built, continually refined and always learning.

RE-THEORISING
This program resulted in a number of workshops being implemented, tested and refined, a number of tools being developed that could be taken to other programs of culture change and, of course, a field experience of using the culture diagnostic for other organisations within Australia and New Zealand.

2.3.3. Sample Project 2
DATA GATHERING
With a developing reputation in delivering grounded pragmatic culture implementations, I then implemented a larger transformation program, an end-to-end culture change for a rapidly growing and successful engineering organisation. This was a more demanding culture change as it was only part of a total reinvention of the company.

Again the knowledge of the models and tools made planning relatively simple. The initial plan was maintained with few changes for the two-year life of the project. It could be used, as is, as a communication tool for each stakeholder group and detail added to brief relevant teams to direct action.

End to End Overview
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Figure 2: 4 – Culture Project 2’s High-Level Action Plan
Source: C. Kirk

ANALYSIS/REVIEW

Informal reviews within the culture team were done daily and weekly on this one and a half year project, with monthly formal reviews taking place to assess direction, success of approach and adjustments to be made. Theories were tested, rejected and refined over and over again, forming a key part of the confirmation and reassessment of success and failure factors identified in Chapter 6.

2.3.4. Summary of Phase 3

Action Research served well as a structured vehicle for repetitive reflection – especially for such an action-oriented cycle as Phase 3. Much of the material (the frameworks and tools) developed in Chapter 4 and tested and refined in the transformations in Chapter 5 and 6; reinforced by a balanced understanding of what culture change should be and why it is important (Chapters 1 and 3), gave a sound basis with which to embark on delivering holistic culture change.

3. In Summary

Over the period of this research, a number of research methods have been employed in exploring my own involvement in the research questions. The principal research methods have been those of Grounded Theory. The major focus of the first two cycles of research started with specific questions around culture, and then used literature research and Qualitative Research to allow themes to emerge and theories to continually be refined.

There has been much overlap between the Grounded Theory research and the Action Research approaches, that it would be difficult to isolate them as two distinct methods.

The Action Research at the heart of Phase 3 was underpinned by Collaborative Research, in working with Emeritus Professor Dexter Dunphy and groups of consultant practitioners globally and locally to understand leaders in performance and culture and to assess the leading-edge culture methods.
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Aspects of Heuristic Research were employed in exploring my internal relationship to the questions and the field of shaping organisational culture. A number of data gathering tools were used, including qualitative surveys, focus groups, pulse surveys and interviews) to understand the corporate world’s view of culture and organisational behavioural productivity. Literature research has underpinned much of the study in researching culture and what other organisations are doing in the area of performance.

Essentially, the whole research has been delivered as praxis, informed by theory and practice, resulting in the deepening of understanding through practical application that occurred as I developed and tested my approaches in the field.

Having explored some of the findings of Phase 1’s literature research in Chapter 1, I now needed to turn to the questions around ‘whether culture change should be taken seriously – does culture impact performance?’ ‘What do leaders say about the importance of culture and its impact on performance?’ This is the focus of Chapter 3.
Chapter 3 – Culture – From a Leader’s Perspective

0. Introduction

In my entire business career, I would have always said that culture is one of the five or six things you worry about if you’re a leader. You worry about markets, and competitors, and financial assets and strategy. And somewhere on the list is culture. What I learned at IBM is that culture isn’t part of the game. It is the game. When you strip it right down to bare metal, a corporation is nothing more than the collective ability of its people to do two things: create value and execute the strategies of the company.


Gerstner’s comment here is revealing. In 1993, as a CEO coming into IBM as an outsider with the explicit purpose of performing a global IBM turnaround, he began with downsizing the global workforce by 60% (from 425,000 to 165,000 people). In doing so, he realised how strong the IBM culture was and how central culture was in preventing or enabling the turnaround performance.

In this example, Gerstner’s experience taught him valuable lessons about the role of organisational culture in supporting or inhibiting change. While Gerstner’s insights were coherent with themes I had identified in the literature on organisational culture, when I commenced my research into navigating the complexities of culture change, the extent to which other corporate leaders might have shared his perspective was not clear.

In early conversations with Australian corporate leaders about culture and business, I introduced international examples and research cases. The frequent response was that ‘it was different in Australia/New Zealand’. There seemed to be a lack of solid, local research linking culture and performance. Accordingly, I determined that before setting out to change corporate cultures, I needed to understand what successful local leaders thought about the role of culture. I conducted the A/NZ CEO and Chairperson Survey (IBM 2002) with the following questions in mind. ‘What is the experience of local leaders around culture in organisations?’ What are the ‘decision makers’ saying or doing about culture – if anything?

This chapter will document the approach taken in conducting the CEO Survey and discuss the key findings of relevance to culture change.
Chapter 3 – Culture – From a Leader’s Perspective

1. The IBM A/NZ CEO & Chairperson Survey – The Survey Process

For this qualitative survey, I conducted face-to-face interviews with 22 senior leaders in the field. The senior leaders were influential in the business world, with significant management and leadership experience and proven success in delivery of sustained performance. They were people who led large organisations that were likely to have faced cultural challenges at some stage of their leadership.

1.1 Set up

The planning, initiating and delivering of the survey was a 14-month process, commencing with submitting a business case to commission an Australian/New Zealand Survey exploring culture, leadership and performance. The Business Case was accepted by IBM, followed by a period of eight months identifying the participants, designing the survey, the campaign, the approach, the marketing and rollout plan and the detailed material. The resulting survey became a critical body of work underpinning this thesis.

A formal arrangement was established to collaborate with Emeritus Professor Dexter Dunphy to provide advice throughout the survey process.

1.2. Selection of interviewees

While I was not looking for a large number of interviewees, I did invest significant time and attention in identifying leaders who fulfilled a number of general criteria, including the seniority of the leader; the respect the leader and the organisation held in the eyes of the public and business; the organisation’s perception of being a relatively ‘high performer’ and the likelihood of the organisation to have undergone some form of culture/organisational transformation in its history. A final criterion was that the leader needed to be willing and available to attend a one to two hour, face-to-face interview with two leaders from IBM. Given the political and economic climate at the time, that was a significant request on their time.

In order to identify suitable interviewees, I researched a number of sources including:

- The “True Leaders” list (BOSS, 2001) of 30 of Australia’s best leaders
- Leaders who had taken part in the latest “PwC CEO Global Survey” (1998)
- The BRW Top Performing (by revenue) 1000 Australian organisations (2000)
Chapter 3 – Culture – From a Leader’s Perspective

- The Hewitt Survey on Australia's leading employers, (Hewitt, 2000)
- As well as a number of undisclosed lists of leader within the Australia/New Zealand marketplace.

The interviewees included successful and well regarded leaders from a wide range of industries – such as BP, Fuji-Xerox, CSIRO, Centrelink, Macquarie Bank, IBM, Ericson, Lion Nathan, as well as top leaders of the Australian Defence Force. The leader’s names are not included in this document.

Surprisingly, the leaders were sufficiently interested in the subject that, in a number of instances, the interview extended to a discussion of up to two hours in duration. Each leader discussed why they felt culture was important to their organisation. They were surprisingly articulate in considering and discussing culture, from its definition through to working with culture change.

It should be noted that this leadership group’s commitment to culture and investment in culture change is not a representative sample from the senior leadership community of Australia and New Zealand. I had purposely selected leaders who had most likely overseen some form of organisational transformation in their careers and who were leading successful organisations currently. This should be taken into account when I discuss results of 100% concurrence with culture impacting performance. As this is clearly not a representative sample of Australian and New Zealand business and governmental leaders, then the results would be expected to be considerably more varied.

1.3. The Context

These interviews took place in volatile times, locally and globally, with the growing threat of a world economic recession, the collapse of some iconic Australian businesses (such as Ansett), the Australian ‘Tampa’ (children overboard) situation, upcoming Australian elections and the 2001 September 11 attack on the World Trade Centre.

Such dramatic events placed even more emphasis on questions around organisational performance and executive focus in volatile times. My aim was to be as flexible and open as possible, allowing the findings of the research to emerge at their own pace. As a result, I expanded the group of interviewees to include leaders from
Chapter 3 – Culture – From a Leader’s Perspective

organisations and industries significantly impacted by the events: the Australian Federal Police, Australian Defence Forces, airlines, companies with businesses in the Middle East and so on. As the CEOs and Chairs raised emergent issues, we invited additional specialist thought leaders to add their insights. For example, Hugh Mackay was invited to comment on the changing nature of the workforce, the emerging generations; Doug Stace was invited to comment on global trends.

The September 11 event was a particularly important influence on the emergent nature of grounded research. First, it influenced the questions I was asking in that I needed to include ones that acknowledged where their attention was likely to be which, in some cases, was on the survival of their organisations. Secondly, such an event had a huge global impact on corporations. Leaders and companies were in shock and I was electing to interview organisations directly affected by September 11. Thirdly, the ramifications of September 11 did cause some of the leaders of organisations to revisit the question of how critical culture was.

1.4. The Interview Questions

The interviewees were asked a total of eleven questions on the subject of culture and its link to performance. The questions were themed around:

- The priority the leader gave to investing in culture and how they did this
- Whether they saw a link between culture and performance, and if so how much
- What the qualities were of high performance and ‘future-proof’ cultures
- And finally, how well positioned their organisation was for the future.

A new question theme was introduced as a result of the recent events that were taking place at the time of the interview process. Three questions were given a priority for the purpose of this study (questions two, three and four), which was taken into account when facilitating the interviews.
Chapter 3 – Culture – From a Leader’s Perspective

Table 3: 5 – The Interview Questions
Source: The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>Survey Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1. How do recent events change your thinking of the future and how it may impact your organisation?</td>
</tr>
<tr>
<td>Q2. How important do you see culture (and leadership) in organisational performance?</td>
</tr>
<tr>
<td>Q3. Should organisations be investing in culture and leadership for the future? If so, how?</td>
</tr>
<tr>
<td>Q4. How much is culture and leadership on your agenda? Is your organisation investing in building culture and leadership to prepare for the future?</td>
</tr>
<tr>
<td>Q5. The 80s &amp; 90s were the era of cost cutting, downsizing, mergers and acquisitions etc. What, if anything, has been the impact of the 80s and 90s on your current culture?</td>
</tr>
<tr>
<td>Q6. What are the characteristics of culture that you think will help (or hold back) organisations meet future challenges?</td>
</tr>
<tr>
<td>Q7. What do you see as qualities of future-proof cultures? (explanation given)</td>
</tr>
<tr>
<td>Q8. Is there a difference in the aspects you’d emphasise in culture (and leadership) in good times versus bad times?</td>
</tr>
<tr>
<td>Q9. If so, what are the differences?</td>
</tr>
<tr>
<td>Q10. How well positioned do you think your organisation is for the future?</td>
</tr>
<tr>
<td>Q11. Is there a question or comment you think we’ve missed that you think is relevant to this discussion?</td>
</tr>
</tbody>
</table>

While the critical interview questions focused on the priority that leaders gave to culture and any perceived links to performance, for those interviews that extended past the allotted hour, much of the discussion then moved into depth around topics such as the qualities of a high performance culture. As the main focus of the survey was to understand about how important culture was to the leaders and why, I have focused much of the findings in this area.
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1.5. Analysis Process

Over a four-month period, the interview data was analysed to identify emergent themes. With as open a mind as possible, I immersed myself in the data and took a disciplined approach to allow themes to emerge, without jumping to any conclusions. I transcribed the interviews and then read the interview transcripts multiple times, waiting for patterns to arise and recycling through the information until the themes became clear. Often a new interview would cast a new slant on a theme and I gained more fine-tuned clarity as new sub-themes emerged. I then found myself having to revisit the themes again in light of the new distinctions made.

2. The IBM A/NZ CEO & Chairperson Survey Findings - Emerging Themes

Table 3:6 summarises the relevant themes and sub-themes that arose from questions 1 to 5, 10 and 11. The following section focuses on a sample of responses to those questions, with themes covering:

- Culture as a driver and influencer of high performance
- Economic pressures - Short term vs. long term focus
- People investment – the ‘soft stuff’
- The importance of culture in times of volatility
- Dealing with the ‘unforeseen’

In most cases, I give examples of leaders’ comments. Where some quotes might be taken out of context or particularly sensitive, I have commented but not included the direct quote.
## Chapter 3 – Culture – From a Leader’s Perspective

### Table 3: 6 – Emerging Survey Themes

**Source:** The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>Emergent Themes</th>
<th>Emergent sub themes</th>
</tr>
</thead>
</table>
| Culture as a driver and influencer of high performance | • Culture and performance – focus on both  
• The leaders were investing in culture change – they were getting sustained results  
• A true test of culture – when times are tough & volatile  
• The government investing just as heavily in culture & performance |
| Invest in Culture and leadership            | • Investing in culture - Investing in the future  
• We can’t afford to ignore culture  
• Invest leadership time in Culture and people  
• In a volatile situation, culture has power to help the organization succeed or fail  
• Organisations that don’t take culture seriously are risking their future |
| The challenges of investing                 | • People investment is seen as ‘soft’  
• ‘Hard’ and ‘soft’ - Culture must integrate the organisational shapers  
• Economic pressures - Short term vs. long term focus  
• Short termism vs. long termism  
• The ongoing dilemma - Shareholder Value versus Stakeholder Value |
| Investing when times are tough              | • Beware the temptation to just cut costs to achieve short term results  
• Avoid cutting down the people side when times get tough  
• Controlled downsizing  
• Protect the commitment in culture – in times of volatility  
• When downsizing, be careful not to destroy the culture at the same time |
| The cost of slash and burn on sustainability | • The loss of core culture  
• The loss of intellectual property |
| Expect continual volatility & change        | • There are cultural capabilities needed to ensure the organization is ready for volatility |
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| “Events” as a focal points and symbols | • Increasing need for scenario plans and emergency response plans for the enterprise  
|                                       | • Relentless risk management  
| Earning the organisation’s license to operate | • In the future, society will start to decide which organisations get a ‘license to operate’ |

2.1. Culture as a driver and influencer of high performance

Culture change does impact on the bottom line. How do you get performance? You get results from a workforce who are committed to the goals, well skilled and creative; you get that by creating an innovative, focused culture which is risk taking whilst being supportive of each other.

(CEO Federal Public Health Agency)

One hundred percent of the respondents agreed that corporate culture way of great significance to the performance of corporations now and will have even greater significance in the future. Only one leader stated that he had not actively focused much attention in the area. However, he did have a whole strategic department focused on shifting specific aspects of the culture to drive improved sustained performance. These investments included a significant leadership development program, a planned culture diagnostic to understand issue areas and a program to revise KPIs in alignment with leadership behaviours and sales targets.

The leaders discussed the role of culture, leadership and people focus – often interdependently. Refreshingly, they often talked about culture in relation to its operational mechanisms and systems – something I observed was not as common in the literature reviews.

Leadership is the catalyst for getting things done, sometimes against the will of the people. Without leadership the organisation will not succeed. Culture is like the shock absorber. Culture helps people understand the organisation and how things are achieved. Culture embeds the organisation's values. It is what people expect - especially under pressure. The more successful the culture - the better the alignment with people’s values and ethics.

(Leader - Australian Defence Forces)
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It is interesting to note the close inter-relationship between culture and leadership, particularly highlighted in the ADF practices.

Culture is not an independent variable. It is an outgrowth of leadership, organisational history, the influence of opinion leaders in the organisation, technical specialisms, management and other systems …these all influence culture. Culture becomes the dominant intellect and soul of the organization. (Futurist and Thought Leader)

This leader clearly sees the complex links between culture, leadership and technical and operational shapers of culture – the ‘soft’ and the ‘hard’. This was an interesting conclusion – culture becomes the ‘dominant intellect’ – a very apt description of culture’s power. To describe it also as the ‘soul’ of the organisation is again insightful – with the collective values, beliefs and assumptions underpinning an organisation, it is interesting to consider culture as analogous with the idea of ‘soul’.

The emphatic focus on culture and its impact on performance was not limited just to the corporate arena, where the delivery of short-term performance targets and analysts’ reviews are paramount. Leaders in the government sector were equally strong in linking culture and leadership to performance.

If you get the people side right, the results will follow. (Secretary - Dept of Defence)

Leadership and cultural change determines whether the organisation goes forward or ultimately collapses. (CEO - Federal Public Service)

In an area like [our organisation], culture and leadership are absolutely crucial to the delivery of improved outcomes. We’re a people business. While we can use some command and control we rely on the engagement of people to deliver the outcomes. (CEO - Federal Public Health Agency)
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While values were clearly seen as a core dimension of culture, several leaders were equally convinced that culture was expressed in behaviours. A number of leaders were quite clear that behaviours were a critical aspect of performance and were striving to find ways to measure and track behaviours contributing to performance.

Performance absolutely depends on all people behaving in a certain way. There is a direct correlation between the behaviour of the group and their performance in aspects like the cost per unit.

(General Manager - Airports)

In [my organisation], we have set the debate in regards to behaviours rather than values. The behaviours required in the new culture are solving problems, listening, mutual respect, exploring, behaving ethically. We measures peoples’ performance against these behaviours and their individual learning plans are linked to these behaviours as well.

(CEO - Federal Public Service)

From, the leaders’ perspectives quoted above, the relationship of culture to measureable performance is clearly emerging as paramount in the views of these leaders.

Given the views stated above, it was not surprising that leaders saw the benefit of investing time and effort in optimising culture in their organisation in the future. When asked whether organisations should invest in culture/change in the future, again there was consensus among interviewees. They concurred that focusing primarily on economic drivers was not going to deliver sustainable results. Investment in people, culture, leadership and performance was critical and would be even more critical in the future.

Without the work on culture, you just get surface compliance – you don’t get the necessary transformation for significantly improved future performance.

(CEO - Federal Public Health Agency)

The majority of the participants themselves had invested heavily in building the desired corporate culture/s and believed this had been a significant factor in the current
Chapter 3 – Culture – From a Leader’s Perspective

success of their organisations. This point was made consistently across a diverse range of organisations.

In 1992, the share price collapsed 50% and it took 3 months to recover … if we hadn’t gone through the culture change process, we would have had much greater difficulties. We were positioned to adapt quickly to the shock by the fact that we had gone through the process.

(Regional Leader - Global Petroleum Organisation)

The depth of commentary from the leaders demonstrated their authentic, long considered views on culture, people and leadership. The leaders gave tangible examples of culture as it related to performance, be it through helping secure their organisation’s share price (after a serious environmental incident), resourcing their organisation to deal with double volume throughput (post Ansett demise) or recovering quickly from a 50% global downsizing process. The leaders had clearly committed to culture being a driver and key influencer of performance.

A number of leaders commented about the time they committed to working with people leadership and culture.

All too often, too little time, attention and personal commitment is given at CEO level to the importance of the people side of the organisation.

(CEO - Global Airline)

The survey respondents stated that culture, leadership and people focus was a priority for them, with a few leaders detailing an actual % of investment of their personal time. This varied from 20% to a massive 60% of their leadership time. One of the CEOs interviewed had, some years earlier, embarked on a CEO diary exercise and found he put 40% of his attention on people and culture issues. As a result of a comparison with other leaders’ diary statistics, he decided to consciously increase this time investment.

A Managing Director should devote more time to actively develop leadership and culture, i.e. 10-20% of their time. You need to demonstrate leadership by walking around talking to people. The Managing Director visits each site every year. He meets every person, shakes their hand and engages them in conversation, every region and branch!
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(CEO – Banking Sector)

Culture is the most important driver of organisational performance. I spend 60% of my time on people, leadership and culture.

(CEO - Global Consumer Products Organisation)

These findings were supported by prior research completed by PwC Consulting in conjunction with the Davos World Economic Forum 1998, finding that close to half of all top CEOs surveyed focused more energy on reshaping culture and employee behaviour than they did on monitoring company financials or customer relations.

2.2. Economic pressures - Short term vs. long term focus

Short-termism – everything is driven by the next annual general meeting or quarterly results. In the world of short-termism, we will never be able to lift our eyes to any cultural horizon.

(Hugh Mackay, Social Researcher and Futurist)

This short-term demand caused some of the most intense discussion of the interviews with the leaders attempting to balance the focus of short-term demands with long-term investment and growth in the organisation’s future.

The market was not very interested in the people side. The analysts only ever asked us: ‘how many thousand staff can you get rid of?’ The financial analysts are trained in finance and all they can do is put figures into their models and then run via the model. I have never talked to an analyst who has any comprehension of the importance of culture.

(Chair - Retail Organisation)

Where boards and analysts have been supportive of investment in ‘bettering the organisation’ with new technology, systems and processes, this was not the case with long term investment in ‘the soft stuff’, or culture change. This, the leaders concurred, proved a far more difficult and complex value proposition to articulate.

If I speak to analysts about culture, they think I have rocks in my head!

(CEO - Global Consumer Products Organisation)
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Coming out of the 80s and 90s, the analysts and fund managers expected double digit growth. The analysts and fund managers still have that model in mind, but there won’t be or can’t be double digit growth in the next few years. Nevertheless, their expectations are triggering more cost cutting which is destructive and doesn’t lead to growth or efficiency. The models they are using are working on short-term measures, not long-term measures. If ever we needed long-term measures, it is now.

(Chair - CSIRO)

The short-term focus, with knee jerk reactions to deliver short-term results, was seen to be particularly dangerous if there was no parallel emphasis on developing a longer-term strategy for repositioning the organisation and building capabilities for the future. Concern was raised for the ‘unravelling’ of previous culture investment and cultural knowledge.

If we are cutting costs, shedding staff and fracturing the culture, then what we say is almost irrelevant. I have a fear that the temptation for CEOs is to resort to sloganeering because they really can’t implement what they’d like to when times are tough… survival often swamps culture and it seems not much to matter what type of a culture was developed.

(Futurist and Thought Leader)

Participants viewed the slash and burn response as often being a ‘flight’ in response to fear that is unsustainable in the medium to long term, particularly as it usually involves destruction or deterioration of the organisation’s culture, human capital, intellectual assets and relationships with key stakeholders.

Quite a number of people being retrenched are from head office. That means we are losing the ability to mobilise for cultural change. We lose the capacity for cultural enhancement, where we end up only concentrating on day-to-day business.

(Leader - Federal Public Service Agency)

On the other hand, a number of leaders commented that in some situations, they saw no alternative to cost cutting to meet the market challenges. It was a common theme that the way an organisation deals with downsizing will be remembered by those
Chapter 3 – Culture – From a Leader’s Perspective

impacted and can have a big effect on the culture of the organisation if not handled carefully. One strategy undertaken by a few organisations was, in times of downsizing, to avoid mixing the messages – be clear that it is happening and why, be as transparent as possible and do not ‘cloud’ communication with culture messages.

When times are tough, organisations are bottom line driven. The organisation is involved in retrenchments, downsizing. The survival of the herd is threatened, then a lot of the things we call culture are under threat. When economic pressure is strong, a lot of the talk about culture and the guiding story can be extremely counter-productive.

(Futurist and Thought Leader)

Concern was raised that if the organisation’s cultural strengths and weaknesses are not understood prior to such cost-cutting programs, and although short-term gain is being achieved by the cost-reduction initiatives, there is a risk that the long-term impacts on the culture and human capital will be unknown. At a minimum, the goodwill, trust and engagement of the remaining staff will be at risk.

The economic downturn will lead many organisations to cut down drastically on discretionary expenditure, capital expenditure and people. Cutting down on people is the most dangerous because if you want people to work for you and be committed, you have to respond to people’s aspirations. We must create an environment where people can prosper – where they can work towards their potential.

(Secretary - Dept of Defence)

As the interview analysis progressed, a pattern of holistic ‘AND’ thinking emerged. Leaders were talking about the need to work with short AND long-term focus around culture AND performance, soft AND hard approaches and so on.

Great companies raise performance and change the culture, these aren’t alternatives, you must do both at the same time.

(CEO - Global Consumer Products Organisation)

The conversation however continually returned to the need for investment in the culture as a non-negotiable.
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If organisations are not investing in culture and leadership, they’re not investing in the future. We had this debate in Defence. Some said: ‘We should have the best equipment and technology in the world’ but you can’t operate these without the best people. You can’t sustain the technology advantage, particularly into the future, without good brainpower in your organisation and having them wired into improving everything. If you don’t have and develop very good people, you’re going out of business.
(Secretary - Dept of Defence)

Much of the discussion focused on the constant dilemma leaders faced regarding short-term return vs. long-term investment. In the commercial world, it was the pressure of external financial analysts putting organisations under the spotlight to deliver short-term results while the leadership tried to direct the sustained longer-term future, particularly by investing in the people and cultural aspects of the organisation. The majority of the government sector leaders also voiced this paradox. Finding ways to ‘sell’ appropriate investment in long term culture and leadership to Boards, Ministers and analysts was voiced as becoming increasingly important in the future.

2.3. People and Culture – the ‘soft stuff’

If you start talking about people (and culture) to many executives, they think it is soft stuff. It’s not if it is performance-orientated but most managers shy away from dealing with hard people issues – they’ll do the hard yards on business and financial issues but they won’t tackle them with people.
(Secretary - Department of Defence)

The leaders raised their frustration at the ‘bad press’ and the lack of understanding of the value of the ‘soft stuff’. This spilt between ‘hard’ and ‘soft’ and the preference that the business environment tends to have towards ‘hard’, tangible, economic levers of performance is a difficult one. Analysts, Boards, Ministers are pressuring leaders for tangible results – usually in terms of ‘hard’ numbers and approving investment in initiatives that will directly drive ‘hard’ tangible economic results. To shift the perception key stakeholder groups have about the benefits of the ‘soft’ contribution proved difficult for a number of leaders.
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Management has often said to me: ‘You spend too much time and energy on this [the culture and people area].’ They are the very people who remark later: ‘Terrific atmosphere around here.’ But they have never made the connection. In all organisations there are those who think it is all hogwash – soft stuff and that what we should do is ‘just get on with it.’ What they mean by ‘getting on with it’ is, look after the financials – but that’s not enough.

(Chair - Retail Organisation)

We have 1000 leaders in our organisation, 24,000 staff, and offices all around Australia. We put a lot of training and investment in leadership and are looking for leaders everywhere. Overall, there is still not enough done on culture and leadership...it is still evaluated and treated through a macho strength style. People see it as soft stuff.

(Leader - Federal Public Service Agency)

The ‘soft’ arena of culture, people and leadership was by no means seen as an easy area to work with. One of the most senior leaders who had significant experience in culture and leadership work within his organization confirmed this by giving examples of the continued investment in studying cultures around the world. His final comment showed much wisdom when working in such a complex field.

I regard myself as a student of culture.

(Leader - Australian Defence Forces)

The leaders were very clear about the need for a holistic approach to culture change. One emerging theme that reinforced some of my insights from the literature review was around the need for operational mechanisms to be used to reinforce the ‘soft’ aspects of culture change.

We started [our organisation’s] values integration program with the senior team and went step by step down and across the organisation globally. The degree of impact was fairly consistent throughout all areas of the organisation - from the senior team to the production operators.

We then had to formally specify the business processes (the guidelines, policies and procedures). So ‘values’ leads to business processes, which leads
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to role definitions [and accountabilities and responsibilities] within the processes. Those two things feed back on themselves.

(Chair - CSIRO)

This interplay between the ‘soft’ people and cultural aspects and the ‘hard’ operational structural mechanisms was another example of the ‘AND’ theme emerging. There was some clarity amongst a number of leaders that it was not an investment in ‘soft’ OR ‘hard’. Both operational and people/cultural dimensions were needed to reinforce the transformation of culture. Although they did not use the term ‘holistic’, a number of leaders referred to the complexity of integrating ‘soft’ and ‘hard’ to embed the change.

We needed the systems and the internal culture to back up the organisational transformation. We now have these systems in place.

(CEO - Global Technology Organisation)

Due to the complexities of trying to link and measure culture change and performance and because of the prevailing attitude towards ‘soft’, the leaders are left with the difficult position of trying to justify and prove the value of the (significant) investment required. There was concurrence that in the future, successful organisations will be those which, in the medium to long term, build the skills and capability of their people so that they are able to respond to a more demanding, flexible and complex environment. Investment in the ‘soft stuff’ will need to be more accepted. It was seen that focus on ‘soft’ or ‘hard’ was not a choice. It was critical to focus on both simultaneously.

2.4. The importance of culture in times of volatility

The recent events have put immense pressure on our culture. Whenever times get tough, you find out if your culture is deep-seated or not. Since 11 September, there is a much tighter, more competitive market. And our competitors are becoming more aggressive.

(CEO - Global Technology Organisation)

A number of the leaders who had recently invested in their culture, emphasised its value saying various forms of ‘If you think investing in culture change is expensive, try...
not making the investment’. The volatility of the external environment had highlighted the benefit of earlier culture investments.

Leadership, culture and strategy are more important in a downturn. In uptimes, you could be a follower and succeed – in growth times, most companies will succeed.

(CEO - Global Technology Organisation)

The test of the value of the culture is its resilience to shocks and its speed of response to crises. Because of [our investment in] culture, we have come out stronger each time we had a crisis.

(Regional Leader - Global Petroleum Organisation)

As the discussions moved towards the recent crises faced by a number of the CEOs’ organisations, the more it became apparent that culture was not just a matter of improving performance, but also addressed the more fundamental question of organisational survival.

The aviation industry is now haemorrhaging. During the Gulf War, the airline industry lost more money in two years than in its whole history and it will be worse this time.

(CEO - Global Airline)

When asked about the impact of recent global events (USA terrorist attacks, the global recession, the Ansett demise and so on), there was some apparent variation in opinion about the impact of the events on their organisation's future and robust ability to survive and thrive. However, of the four leaders who expressed 'not much' and the one leader who expressed 'none at all' – this was because they were either comfortable they had 'future-proofed' their organisation satisfactorily to date (two leaders) or they were in industries less affected by the current turmoil (two leaders); with only one leader not commenting on his response.

You are implementing the wrong strategies if you are putting in place the strategies you developed yesterday because the whole world is behaving differently.

(General Manager - Airports)
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For those companies that had built the appropriate cultural base, external events had little impact on performance or had an initial impact but the organisation was able to respond quickly, manage the impact and return to high performance. A global merchant bank confirmed its careful and conscious investment in culture that ensured a stable passage through September 11 for the bank. Its culture effectively ‘took over’ and proved to manage easily. In crisis, there is no time to ask staff to step up, make different types of decisions than the usual, take more accountability at the front line – it is up to the prevailing culture to help lead the way.

Events of the last couple of months shouldn’t cause a well-managed business to change its basic strategy. External shocks occur and if you have appropriate risk management arrangements, then you are in good shape. In a crisis like September the 11th, people know what to do. The bank is ready for that kind of event. We do scenario analyses which include a 40% gap and we look at the possible impact of macro-economic shocks. That is just a normal part of our business. We plan for major economic crisis to occur – such as the current world recession.

(CEO - Global Merchant Bank)

A number of respondents reported that such crisis situations proved to be public tests of the success of their cultural investment. They were sure that if their old culture and leadership system had been in operation at the time of crisis, the results would have been very different. The Airline CEO talked about dealing with their ‘September 14’ (the Ansett collapse) which doubled passenger throughput, as a reinforcement of having invested substantially in culture change and leadership development.

In responding to the Olympics and to the crisis of the Ansett shut down, employees showed a high level of performance under intense pressure outside the normal boundaries. Despite these conditions and because of its culture, we were able to maximise revenue per flight and the people performed well on the day. There was intense pressure on Sydney Airport. Their performance lifted above the level of demand for performance.

(General Manager - Airports)

The Regional Leader of a global petroleum organisation talked about how the global culture transformation in his company was essential in steadying the company during
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the volatility of September 11. After a decade of intense culture transformation, it was noted that September 11 was a test of whether the investment was a good one or not.

At the time of the Sept 11th attack, the crisis processes were all in place through our crisis management centres across the world … but as important were the behavioural and cultural practices we had put in place through our culture change program. One of the biggest advantages of our business culture now is that we know how we think and how we will act everywhere. When you don’t know the people personally, you at least know the behaviour you could expect from them. This allows you to react by swinging the whole organisation very, very quickly.

(Regional Leader - Global Petroleum Organisation)

He further articulated that the organisation was able to seek a global health check, rally and respond to the crisis within a period of 48 hours ... something that in the past, they would not have been able to do at all, let alone within a realistic timeframe.

Thanks to this transformation, within hours of the 11th September crisis, we had feedback about how the crisis was being received in different parts of the world. Immediately, we were able to begin enacting our response strategy. It would have been a very different scenario with the old culture in place.

(Regional Leader - Global Petroleum Organisation)

Leaders talked about the next few decades as being ones of volatility. This was clearly indicated in the survey themes. A number of the leaders saw the September 11, 2001 events as an extreme test of their investment in organisational culture, agility and performance. This further demonstrated the power of culture in times of trouble and volatility. This was reinforced throughout the interviews, particularly in examples from the petroleum, airline and Australian Defence Force leaders.

One conclusion I drew from these discussions was that in times of crisis, ‘culture takes the driver’s seat; culture has a more important and obvious role in helping support (or hinder) the organisation’s ability to get through the crisis. This was demonstrated in a number of examples given where the leader recognised the role the recently transformed cultures had played through September 11 through the Ansett demise.
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If culture does take a priority role in times of crisis, this has important implications for an organisation. If an organisation has not consciously invested in its people and the culture, and if volatility is becoming the norm, an organisation could be at risk of failure. What is the risk to the organisation if the culture is dysfunctional and in times of crisis, its dysfunctional ways of operating take the forefront? The answer from the interviews was that this can seriously affect an organisation’s performance and that some cultures actively hamper or undermine performance.

2.5. Dealing with the unforeseen

There was concurrence that the future will see more radical and unpredictable change, discontinuity and crises. In response, leaders expressed the need to continually externally scan, to more vigilantly monitor the wider economic, political and social external environment. Scenario planning was discussed by a number of leaders to ensure the organisation had the capability to deal with unforeseen events. Agility, change ability, external awareness all became capabilities needing to be embedded in the organisation to meet anticipated and unforeseen future demands.

More than developing visions, the critical characteristic for the future will be the ability to see patterns - particularly evolving patterns. You have to mobilise people to take advantage of patterns. You have to look out and in. The pace of business is such that it can’t wait till everyone works it out. You have to challenge people’s thinking to accelerate understanding.

(Chair - CSIRO)

Each of the leaders talked about the profound impact volatility was, or could be, having on their organisations and gave examples of what they were doing to build resilience into the framework of their organisations. Police personnel talked about handling unprecedented and unforeseen demand — dealing with added security issues, Anthrax scares, targeting of Australian tourists overseas, scanning for hidden terrorist threats and so on. They talked about having to find new ways of addressing the volatility – particularly in identifying ways to collaborate across silos within organisations, across organisation and across borders.
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There is a blurring of the edges globally, between nations, and also organisationally. For example, the Federal Police’s involvement in East Timor with the Army; the line between Immigration's role and the Federal Police with asylum seekers regarding the illegal immigrants, etc.

(Commissioner - Australian Federal Police)

This need to collaborate in different ways was not seen as a trivial change in culture. Silo and turf protection behaviours and attitudes were seen as a considerable block to be able to collaborate, develop agility and forge new forms of bold alliances. All aspects discussed as capabilities needed for the future.

There was recognition, however, that Australia and New Zealand were reasonably well positioned for the future; believing that many individuals and organisations have played a role in contributing to their own organisations and nations becoming future-fit.

Executives are going to have to manage multiple cultures. Australia has a huge comparative advantage and will be well positioned in regard to a need for a pluralistic, multicultural workforce. We have also managed to create a blended business culture which draws strong elements from both the US and Europe. We are very well placed to move forward.

(Futurist and Thought Leader)

Given that the leaders saw the future environment to be one of more rapid and unpredictable change, they saw the organisation of the future needing different cultural characteristics than the slower moving bureaucracies and centrally, a top-down managed organisations of the past. There needed to be improvements in organisations’ agility, responsiveness, leadership skills, empowerment, and accountability – all aspects of culture, people and leadership. Some of these themes are detailed in the following section.

3. CEO Survey - Characteristics of a culture for the future

Having established that there were, from a leader’s perspective, links between culture and performance, the next set of questions focused on characteristics that the CEOs
believed were essential aspects within the culture that would position their organisation to be fit for the future. Those questions included:

- What are the characteristics of culture that you think will be critical for organisations (your organisation) to meet future challenges?
- What are the characteristics of culture that you think will hold organisations (your organisation) back in meeting future challenges?

Responses to these questions were extensive, providing rich insights into the ways that these leaders perceived the future in their respective fields. Here I review some of the insights that had explicit relevance to developing a culture change model to navigate the complexities of culture change.

### 3.1. Emergent Themes – Characteristics of a High Performing Organisation of the future

In reviewing the leaders’ responses to these questions, a pattern that emerged was strikingly resonant with Denison's (2000) four domains of Mission, Consistency, Involvement and Adaptability. Consequently, I decided to adopt a version of these characteristics for my analysis, as follows.

The emerging themes clustered broadly around

- **Vision and mission**
  - aligned to Denison’s Mission domain
- ‘Hardwired’ alignment and consistency
  - aligned to Denison’s Consistency domain
- Engagement and involvement
  - aligned to Denison’s Involvement domain
- **External-orientation and adaptability.**
  - aligned to Denison’s Adaptability domain.

I have summarised a number of the themes in Tables 3: 7 – 3: 10 below. I then select one or two themes (highlighted in bold within the table) within each category to discuss in some detail.
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3.2. Mission

Table 3: 7 – Emerging Survey Themes – Characteristics of a high performing culture - Mission
Source: The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>MISSION</th>
<th>Emergent Themes</th>
<th>Emergent sub themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose and Vision</td>
<td>• A critical enabler of the future  &lt;br&gt;• Purpose to engage the organization in the future direction</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>• Leadership - Visionary, Emotionally Intelligent, Energetic and Resilient  &lt;br&gt;• Empowerment at all levels Leadership as followership, leadership at all levels  &lt;br&gt;• Leaders devoting people-time  &lt;br&gt;• Being Accountable  &lt;br&gt;• Handling power  &lt;br&gt;• Loose-Tight</td>
<td></td>
</tr>
<tr>
<td>Culture</td>
<td>• Continuous cultural reshaping  &lt;br&gt;• Working with organisational culture – essential but becoming even more complex</td>
<td></td>
</tr>
<tr>
<td>Transparency and Reporting</td>
<td>• Adopting a long-term perspective to balance the short term perspective  &lt;br&gt;• Transparency and the nature of reporting  &lt;br&gt;• Relentless but relevant tracking</td>
<td></td>
</tr>
</tbody>
</table>

The high performance characteristic themes emerging from the survey spanned a number of mission-related areas. These included purpose and deep core values with substantial discussion around leadership styles, leadership as followership, leaders devoting people-time, leadership at all levels, empowerment, accountability and adopting a long-term perspective and not submitting to the ‘call of the bottom line’.

Two examples of theme - purpose and characteristics of leadership, were aspects that were ultimately incorporated into the Culture Shaper Framework and into the delivery of subsequent culture change programs (Chapters 5 and 6). Both were seen by the leaders as pivotal to hold an organization on course, especially in times of volatility and change.
3.2.1 Purpose and Vision

The thing that discriminates between organisations of every kind – greater than anything else - is the sense of purpose and leadership at the very top. Humans are herd animals and respond to leadership. People function best when they have a guiding story which defines culture.

(Futurist and Thought Leader)

The leaders’ discussion on purpose revolved around how to use it more consciously … as a beacon to engender engagement and to align long and short term activity, systems and practices. Alignment of decisions, behaviours and systems to the strategy, and ultimately of leadership and culture to the purpose and vision of the organization became an important discussion.

You must have culture acting in concert with the mission of the organisation.

(Leader – Australian Defence Forces)

Now work is much more about creating meaning. Particularly in the kinds of business Australia needs and for generations coming through. Leadership is increasingly about understanding the broad context.

(Chair - CSIRO)

The CEOs talked about how organisations were moving away from traditional, rigid, hierarchical structures and more towards empowerment at the front line, with less management and fewer supervisory layers to control this power. There was an increasing sense that without these controlling structures in place, people would need to rely on their own sense of direction aligned with the organisation's purpose to make the empowered decisions required of them in the future.

Command and control has to be balanced with engagement of a much more intelligent workforce working in more fluid work arrangements.

(Futurist and Thought Leader)

This loss of structure places more demands on the culture of the future and on the individuals. As Collins (2001) pointed out, loosening the organizational structures paradoxically requires more discipline in behaviours within the culture.
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When you have disciplined people, you don’t need hierarchy. When you have disciplined thought you don’t need bureaucracy. When you have disciplined action, you don’t need excessive controls. When you combine a culture of discipline with an ethic of entrepreneurship, you get the magical alchemy of great performance.
(Collins, 2001)

We need people with more vision, direction and strategic capability. Leaders need to be more focused and discerning, with sharper priorities.
(Leader – Australian Defence Forces)

Some discussion focused on the lack of vision and purpose given the pressure leaders were under to deliver short-term results along with the continually escalating volatility in the environment.

There are a lot of tired leaders making policy on the run, producing Band-Aid solutions that are not well thought through. They are making tactical and not strategic decisions when it is costly to make mistakes. The temptation to think tactically is too great. We need to think beyond the immediate. We need to have a vision.
(Leader – Australian Defence Forces)

A key message was that clarity of purpose and vision will become increasingly important in the organisation of the future. As I contemplated the leaders’ discussions around purpose, I realised that a culture model would need to have purpose and vision positioned not just as engagement mechanisms, but as a focus in their own right. Not only would it be important for engaging the culture - the hearts and minds of the people, unlocking desire and movement in individuals; but also as a means of directing the organisation’s activity and performance.

3.2.2. Leadership (Visionary, Emotionally Intelligent, Energetic, Resilient)
A recurrent theme in the A/NZ CEO and Chairperson Survey (IBM 2002) was the call for stronger and better leadership for the future.

The yearning for a sense of leadership, wisdom and a sense of the future is palpable.
(Hugh Mackay, Social Researcher and Futurist)
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This sentiment was reinforced by the interest shown by a number of CEOs and Chairs in attending a follow-up forum to further discuss the issues of Australian and New Zealand organizational performance and leadership into the future. Unfortunately this had to be cancelled as the demands of the leaders responding to September 11 and Iraq took up much of their attention, but it was a good indication of the serious attention it warranted.

In modern organisations, there are more, higher order demands. So that means emotional and spiritual intelligence – the demands for those get greater.

(Chair - CSIRO)

This leader is referring to the higher order demands of crisis management, dealing with the unforeseen external environments, facing issues that have not been experienced before, dealing with less resource and more complexity and so on. This CEO spoke about leaders needing to ensure they were better resourced internally to manage the pace and not reach exhaustion.

Several leaders voiced the need for an essential shift in emphasis from management towards leadership. They discussed empowerment of leaders in the future, pushing the power and decision making further down the hierarchy, whilst ensuring there is central powerful leadership in times of crisis and volatility, a ‘loose-tight’ model of leadership.

For large progressive organisations, the answer is not individual leadership. We need leaders who can orchestrate a team - where there is not one dominant individual who gets the kudos (a la Jack Welch). There must be much greater emphasis on shared management, creating a shared intellectual agenda, a shared leadership model beyond that of the charismatic leader. However, in times of crisis, you still do need someone to come to the fore and call the tune.

(Futurist & Thought Leader)

There was considerable emphasis on the need for high performance cultures to encourage multiple levels of leadership to divest real empowerment at each level and predictably hold those levels accountable for their decisions and actions become critical enablers.
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In the future, we need to build a culture where people are more inclined to take responsibility and be accountable. I see this as a problem that we need to do something about.

(Leader – Australian Defence Forces)

This comment highlights the view that a truly responsive organisation will not have time to go through the traditional machinations and bureaucracy up the food chain to get decisions from the hierarchy. Customer centricity will demand that the frontline can be relied upon to make sound decisions and have predictable and clear latitude to take the initiative in resolving day-to-day issues.

The rules that were given to the workforce yesterday aren’t relevant now. People must feel they are trusted to do the right thing. They have to have all the information to know where we are going or where we are. We’ve given them a sense of freedom to think about what needs to be done now and then do it. They need to know their area of responsibility, make decisions and they need a support system that will help them get it right next time. Team work is important – everyone needs to be heading in the same direction.

(CEO - Global Airline)

The shift to this kind of decentralized, co-operative organization was seen to require more visionary, emotionally intelligent, energetic and resilient leadership. Leaders would need to ‘earn the followership’, and genuinely place trust in the lower levels of leadership and management to be empowered to make responsible and accountable decisions and actions that supported the organisation in achieving its purpose and vision.
3.3. Consistency

Table 3:8 – Characteristics of a high performing culture - Consistency
Source: The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>CONSISTENCY</th>
<th>Emergent sub themes</th>
</tr>
</thead>
</table>
| Aligning the organisational systems & shapers & culture | • Focus on culture operational ‘shapers’ – organisational structure, capability development, consequence management  
• Alignment of the shapers to the mission/vision/purpose  
• Flexibility - fluid, organic hierarchies and networks  
• Attraction and retention of high performers,  
• Workforce diversity,  
• Consistent consequence management and managing poor performance |
| Strong core values | • Organisational and personal values linked  
• Values as vernacular  
• Continually monitoring Values  
• Fairness as an Australian value  
• Changing behaviours - the first step in changing values |
| Shifting Values in the workforce | • Is the meaning of work changing?  
• Changing landscape, changing values  
• Worklife balance  
• Matching organisational and employee values  
• ‘Job for life’ attitude is out with the dinosaurs  
• Flexibility |
| Attractability | • Increasing focus on recruitment  
• Attraction and retention of high performers |
| Flexibility - Fluid, organic hierarchies and networks | • Hierarchy dissembling  
• Flexibility in internal structures  
• Boundary-less, organic networks |
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Many of the high performance characteristics raised by CEOs fitted into an overarching theme of alignment and consistency, fitting ideally into Denison’s second quadrant of consistency. The CEOs discussed a number of specific operational mechanisms that could help to shape a coherent, responsive culture – organisational structure, capability development and consequence management. Key themes arose around issues of alignment of organizational structures and processes with the mission/vision/purpose; flexibility, fluid, organic hierarchies and networks; attraction and retention of high performers; workforce diversity; consistent consequence management and managing poor performance.

3.3.1. Flexibility – Fluid, organic hierarchies and networks

Responses relating to organisational structure often observed that ‘organisational boundaries’ needed to become less structured, less hierarchical, less hardwired and more permeable as work is outsourced, subcontracted or transformed into collaborative ventures of alliances, partnerships and networks. The capacity for flexibility was seen as essential for enabling an organisation to respond effectively to changing circumstances.

If we had been a hierarchical organisation, working the set patterns – then it would have been really hard to adapt to the changes. You can swing the whole organisation very, very quickly.
(Regional President - Global Petroleum Organisation)

Building a flexible culture is not, however, a simple task. Leaders need to be adept at balancing competing demands.

The information revolution is changing the idea of ordered organisations and ordered jobs - but corporations still need to deliver results. There’s a tension for organisational leaders between how they manage more ambiguous, networked structures and workforces, while still delivering results.
(Futurist and Thought Leader)

The CEO of a Global Merchant Bank gave a number of clear examples of their consistent management of this balancing act - in this case between discipline and flexibility, loose and tightly bounded structures. As part of their management of this
Chapter 3 – Culture – From a Leader’s Perspective

balancing act, they set very clear boundaries and consequences were swift if someone violated those well-understood boundaries.

The framework lends itself to entrepreneurial endeavour but at the same time the big risks are controlled very tightly.
(CEO - Global Merchant Bank)

Within those boundaries, staff were free to operate innovatively and take appropriate risks. This was cited as a clear reason for this particular bank’s ability to weather the September 11 crisis relatively unscathed. The loose-tight structure became a living breathing aspect of the culture.

[We] laid the foundations for our risk management culture and it took five years of hard work with the senior management group in setting the values and the standards and, at that stage, enforcing those standards. But now it’s a living thing and we are working on adapting it every day. We incorporate new aspects of culture. We dialogue with each other day to day. We don’t have many rules - but people have to obey them. Most people internalise the rules and we don’t have to take any actions to enforce them.
(CEO - Global Merchant Bank)

It was becoming evident how much these fluid organisational structures would have a fundamental impact on culture, values and behaviours. A number of leaders were clearly forward thinking on this issue, their discussion focusing on the quest to build agility while maintaining some sense of stability.

We stripped out huge layers of structure … so that they weren’t in the way of the culture change.
(Regional President - Global Petroleum Organisation)

One leader talked about smart people and simplified structures and processes being a winning combination for the future. The responsive organisation of the future is not going to be able to tolerate over-engineered and restrictive hierarchies of the past and present corporation. Any form of governance, set of policies, or structure that slows down responsiveness and leads to duplicated activity, poor customer service, unnecessary costs - will need to ultimately be removed. This will place a tremendous
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pressure on the people skills and disciplines within the organisation of the future. In turn, it will be the culture that helps maintain this loose-tight balance (or not!). Dunphy summarized some of this sentiment in one leadership interview:

Organisational resilience and the ability to achieve speedy responses is a result of a combination of people, systems and structures working synergistically and in alignment. These systems include strategy, organisational structure, people and culture, rewards, processes.

(Professor Dexter Dunphy – Thought Leader)

A number of examples of ways that looser structures could apply to hierarchies and reporting lines were raised. These included having virtual teams available on demand for projects with almost immediate formation, allowing organisations to organise themselves across value chains and supply chains, working with contract workers, and so on. The strength and appropriateness of the culture, and the consistency of the values and the skills of the staff, were seen as essential to deliver results with less controls and supervision.
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3.4. Involvement

Table 3: 9 – Emerging Survey Themes – Characteristics of a high performing culture - Involvement

Source: The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>INVOLVEMENT</th>
<th>Emergent Themes</th>
<th>Emergent sub themes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communications – authentic 2 way dialoguing</strong></td>
<td>Increased communication when times are tough or crises abound</td>
<td>Personal Integrity - ‘walking the talk’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conflict and mediation skills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congruent communications from the top</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cross fertilisation of ideas &amp; communications</td>
</tr>
<tr>
<td><strong>Engagement</strong></td>
<td>Engagement, Alignment &amp; Attunement</td>
<td>High levels of competence and commitment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employee cynicism &amp; loyalty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increasing focus on people</td>
</tr>
<tr>
<td><strong>Workforce reshaping</strong></td>
<td>Diminishing workforce, diminishing loyalty, changing nature of the workforce</td>
<td>Designing the workforce skill mix of the future</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The ‘part time’ workforce</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Workforce Diversity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managing across cultural diversity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate multiculturalism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managing performance and non-performer exits</td>
</tr>
<tr>
<td><strong>Skill reshaping</strong></td>
<td>Individual fitness for the future - EQ</td>
<td>Business ‘savvy’ at all levels</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Embracing complexity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reflective – learning enterprise</td>
</tr>
<tr>
<td><strong>Collaboration</strong></td>
<td>Teamwork - Collaboration inside the organization</td>
<td><strong>Building new forms of relationship</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>‘Alliancing’</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Silo mentality out</td>
</tr>
</tbody>
</table>
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One of the main themes the CEOs focused on was the importance and qualities of driving engagement, or in Denison’s terms, ‘involvement’; the main aim being to align people toward the mission and direction of the organisation.

These discussions evoked the most passionate discussion from the leaders, particularly as there were a number of characteristics of engagement they were grappling with on a daily basis. They were concerned with building authentic, two-way dialogue, personal integrity, ‘walking the talk’, engagement and alignment, collaboration, embracing complexity, innovation and developing business-savvy skills at all levels.

3.4.1. Building new forms of relationship

The complexity of environments, the emergence of alliance and collaborative networks, and the development of specialised competencies, will put increasing emphasis on trust, collaboration and teamwork. This in itself represents a significant cultural shift for some organisations.

One of the most critical characteristics for organisations to meet future challenges will be cultures which have openness, the capacity to deal with diversity, collaboration and collective learning – that is, the capacity to build and manage [different types of] relationships in a very productive way. The capacity to bring people together, to harness the energy and the creativity and the productivity that comes out of doing that and do that in a way that is sustainable.

(CEO - Federal Public Service Agency)

Several CEOs referred to the growing importance of relationships both inside and outside of the organisation. Formal structures were no longer considered adequate to handle the speed and the changing nature of the communication and influence flows. Networks rather than hierarchies were seen as vital to performance. There was some discussion about the importance of EQ (emotional intelligence) as well as the more standard IQ. Better relationship and networking skills needed to be developed.

Networking is key to being able to adapt quickly. You can call on your strengths wherever they are. Networks provide information, support and influence. We institutionalise networking. We ask people: ‘What are the three business units
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in the world you can help? What are the three things you could learn from others?’ This has worked well to get transfer of knowledge around the world.

(Regional President - Global Petroleum Organisation)

Leaders and managers needed to consider carefully which relationships are critical to future success, how they add value, and how to nurture them.

Central to the shift to the future is to get away from industrial relations, to broader notions of relationships.

(Thought Leader)

This aspect of relationship management, as an active, dynamic and creative process, seems to have been underestimated. Perhaps the one area where its importance has been traditionally recognised is in industrial relations. But the formalised and legalistic rituals of traditional industrial relations were seen as a poor model for what is needed in the future.

Relationships are absolutely vital in this environment. You should be careful to identify and nurture relationships that will support you down the track... to ensure sustainability.

(CEO – Global Airline)

A number of leaders discussed attempting to dismantle the ‘silos of old’. The barriers, attitudes and behaviours that reinforced silos were seen to be deeply entrenched.

In order to improve our organisational culture for the future, I would like to see more cross selling [inside and outside our organisation]. We now have a number of multi-pronged programs in place for this. For example, we have created a [x-silo] group organised around client groups. We now have ten industry teams with multi-disciplinary skills. Most of the organisation is now re-organised around the client.

(CEO - Global Merchant Bank)

In a few organisations, information was still seen as a seat of power to be withheld for individual benefit. Several leaders described information sharing in a future high performing organisation as needing to be an environment where information flows through a minimum of functional boundaries or withholds. For a responsive
organisation, this will be imperative. This was seen as needing to extend into new realms such as innovation and ideas sharing and cross-pollination, between internal business units and with external partners, governmental bodies and even competitors.

Co-creation of intellectual capital in a new alliance – it requires a new approach.
(Thought Leader)

As a result of the CEO interviews around this subject of collaborative relationships and alliancing, I developed an additional domain of intelligence, closely linked to emotional intelligence, that of 'Relational Intelligence.' This will be the critical set of attitudes, skills and behaviours which will need to underpin the development of new networks and alliances, new ways of establishing cross silo virtual teams and spanning the new more virtual structures espoused by the leaders.
3.5. Adaptability

Table 3: 10 – Emerging Survey Themes – Characteristics of a high performing culture - Adaptability

Source: The IBM A/NZ CEO & Chairperson Survey (IBM 2002)

<table>
<thead>
<tr>
<th>ADAPTABILITY</th>
<th>Emergent Themes</th>
<th>Emergent sub themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-centricity</td>
<td>• The future will be ever increasingly customer focused</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Don’t be tempted out of your core competencies</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• But still ensure value add</td>
<td></td>
</tr>
<tr>
<td>License to operate</td>
<td>• Sustainability – environment as another stakeholder?</td>
<td></td>
</tr>
<tr>
<td>Globalisation</td>
<td>• Managing multiple cultures</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• <em>Act Local, think global</em></td>
<td></td>
</tr>
<tr>
<td>Responding to the speed of change</td>
<td>• Wisdom and experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Resilience to shocks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Ability to learn</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Reshaping capability</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Building acceptance of change into the culture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Providing some level of certainty in uncertain times</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Being tough with the change resistors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The ramifications of developing responsive organisations</td>
<td></td>
</tr>
<tr>
<td>Developing Strategies to be ‘fit for the future’</td>
<td>• Continual external scanning – searching for patterns and trends</td>
<td></td>
</tr>
<tr>
<td>Innovation is here to stay</td>
<td>• Innovation insists on tolerance of mistakes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Learning Enterprises</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Information exchange and knowledge sharing</td>
<td></td>
</tr>
</tbody>
</table>

According to the leaders interviewed, adaptability to changing environments, customer demands and competition will become an ever-more important focus for high performing organisations. Denison’s fourth quadrant focuses on external orientation and adaptability – creating change, customer focus and organisational learning and was a logical summarising theme for the external-facing discussion.
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The CEOs talked at some length around the issues of external scanning – searching for patterns and trends, creating and managing change, responsiveness (responding to the speed of change … faster, customer focus), customer-centricity and the concept of acting locally but thinking globally.

They also talked about the organisation of the future’s responsibilities to the external world and in particular about a phrase Dexter Dunphy coined “Earning the organisation’s ‘license to operate’” (IBM, 2002), (Dunphy et al, 2010). An example of the facets explored included that of acting local, thinking global and external scanning below.

3.5.1. Act local, think global

There is a need to think with more global awareness.

(Air Vice-Marshal - Australian Defence Forces)

What does it mean to act with more global awareness and yet still operate effectively at the local level? Leaders observed that organisations that do not consider themselves part of the global equation could limit their future. They commented that continual improvements in technology, changes in country trade-barrier protection laws, globally impacted volatility and so on – would demand attention outside the organisation’s home domain.

One characteristic of culture that will be critical to meet future challenges is that of globalisation. We need to be open to globalisation. That is fundamental. Every market is globalising. We need to be successful in putting in the world’s best practice in our organisation. If you’ve reached world’s best practice, you can be confident in taking your expertise offshore.

(CEO - Global Merchant Bank)

A number of global thought leaders and futurists discussed globalisation as still in its infancy. In taking part in the survey interviews, Doug Stace viewed the current state of globalisation as a stepping-stone toward a more progressive ‘networked federalism’.

I think all of us will have to rethink the way forward to grow our organisations, but in balance with our societies. A new, globally
networked but federated model will, in my view, emerge, made possible by the sophisticated information technologies now available. We are now in the ‘post-global’ or a Stage 2 global era in which the focus will have to move from global rationalization to globally networked innovation, leading to more distributed activity and benefits – if we are to bring people and societies along with us.

(Doug Stace – Thought Leader)

Leaders of global organisations discussed having to find the appropriate balance between in-country influence and the global, head-office power base. The drive to act and think locally while also thinking globally was raised especially as a result of environmental volatility discussions.

September 11 will change some of our leadership imperatives – US managers will have to learn more about other national cultures. We have appointed a Singaporean Chinese to put together a process by which Asians will manage Asian countries. In future, we will need to have Muslims running companies in Muslim countries and so on.

(Global Leader)

The ability to act locally and think globally will have a considerable impact on the culture of any organisation and vice versa – the culture will be a key enabler or disabler of such local/global capability. It will have implications on skills, ability to work across diverse cultures (locally and globally), organisational structures, reward structures and so on.

3.5.2. External scanning – Searching for patterns and trends
Volatility was the norm in the business-operating environment at the time of the survey. A decade later, the organisations continue to face the unpredictable with the global political systems under revolution and evolution in the Middle East, the Global Financial Crisis and subsequent nation-state economic failures, the large-scale environmental emergencies (Japan, New Zealand and Australia), the global ‘talent crunch’ combined with the ageing workforce population.

At the time of the survey, a number of the leaders were understandably focused on developing an organisational fitness for the volatility. Some felt the practice of external
scanning for trends and patterns would need to become a survival and growth mechanism to identify the unexpected. Senior executives, they felt, had a particular responsibility to orient their organisation to the changing environment, staying in touch with significant social trends, and developing future-oriented strategies.

When asked what he thought was the main characteristic critical to enable organisations to meet the future, one leader prioritized outward scanning as the most important.

It’s all about looking forward as a company. If you don’t understand the context of what’s happening in the world, how can you make business decisions – for example about investment, divestment, and leadership development?
(Regional Leader - Global Petroleum Organisation)

This increasing emphasis on being more externally focused resonated with a number of the leaders.

Kotter describes the ability to have an outsider’s perspective but an insider’s credibility – the ability to do external scanning – what is happening in the world, community and business. People need to develop an outsider’s perspective and see trends in business.
(CEO - Federal Public Service Agency)

A number of CEOs and Chairs referred to high performing organisations needing to not only be more external facing, but also to look for patterns in the external environment, one referring to the practice as ‘reading the tea leaves’. Such pattern scanning is a core aspect of facing the complexity and volatility organisations will be dealing with in the future. Looking towards the edges of chaos and unorder, and seeking patterns to explain the currently unexplainable.

More than developing visions, the critical characteristic for the future will be the ability to see patterns – particularly evolving patterns. You have to mobilise people to take advantage of patterns. You have to look out and in.
(Chair - CSIRO)
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As a direct result of the intense discussions around the volatility, external threats and opportunities above, I needed to ensure that the culture framework I adopted would take the external aspects of the organization into account – ensuring a focus on the external conditions and markets, competitors, new, potential alliances, and so on. This orientation would help to counter the tendency for organisational cultures projecting an internal view onto the outer world and risk imploding. Developing this externally influenced way of thinking and scanning was something the CEO Survey Leaders found to be a difficult area and one that they were keen to pursue as a group later.

4. In Summary

Underneath all the sophisticated processes, Gerstner concluded, there is always the company’s sense of values and identity.

It took me to age fifty-five to figure that out. I always viewed culture as one of those things you talked about, like marketing and advertising. It was one of the tools that a manager had at his or her disposal when you think about an enterprise.

The thing I have learned at IBM is that culture is everything.
Gerstner (2003)

Twenty-two high profile leaders of large Australian/New Zealand corporate and government institutions resoundingly affirmed the importance of culture on performance. Culture was seen as an essential vehicle for organisational survival as the corporate world is exposed to increasing unpredictability and volatility. While culture’s link to bottom-line returns is not an easy link, the respected leaders of the A/NZ CEO and Chairperson Survey (IBM, 2002) were so committed to the value of investing in culture change in delivering improved performance that they were prepared to convince their Boards, Ministers, shareholders and analysts of the necessity to invest in the people for the long term. They were ‘walking the talk’ of their conviction.

Having focused on the ‘whether culture was important to leaders and whether they saw a link between culture and performance’, I now needed to start addressing the difficult question of ‘how’. The first step was to develop the practical frameworks for analysing
Chapter 3 – Culture – From a Leader’s Perspective

and diagnosing culture; -d investing focus in how to make this a vehicle for pragmatic and consistent change. The framework would need to take into account some of the learnings from the CEO Survey – to include a focus on external environments, performance (long and short term), purpose, leadership, engagement and so on.

These recommendations and themes needed to be addressed in a culture framework and supporting tools in order to navigate the complexities of culture change. This is the subject of the following chapter.
Chapter 4 – Pragmatic Culture Frameworks

0. Introduction

Phase 2 of the research was focused on searching for a model or models that would not only depict culture, but also define the key elements critical to focus on when considering organisational culture change. As each iteration of the research progressed, the research questions became more specific. While Phase 1’s search began with the question ‘What is culture in the context of the corporate world?’ Phase 2’s research was about the identification of pragmatic tools and frameworks to diagnose, explain and work with culture.

What frameworks and maps capture how to work with culture in the corporate world in a pragmatic and useful way?

I begin this chapter by evaluating a number of models and frameworks, the main influences being Bolman and Deal (1997), Kotter and Heskett (1992), Schein (1985), Snowden (2002), Tosti and Jackson (1994), Wilber (2000). IBM’s culture framework (PwC 2002), and Denison (2007). Included are a number of tools, models, theories and principles that have influenced my thinking or that I have developed as a result of what I perceive to be gaps in the field and in response to action learning needs. I conclude by proposing the foundation for a new, holistic culture framework, with a sense that the framework is a key to helping navigate the complexities of culture change.

1. On multiple worldviews

When the research commenced, the focus was on finding a holistic way to look at culture that included both the tangible and intangible dimensions. Ken Wilber’s (1996, p.86) model of multiple worldviews provided a useful starting point for thinking about sophisticated, holistic culture change. Initially referred to as 4Q (four quadrants), now AQAL (all quadrants, all levels), Wilber’s framework is based on a quadrant grid in which he identifies four fundamental ways of seeing the world.

Although this model is not known for its application in culture change, I see considerable value in using this inclusive, holistic framework that not only enables change agents to identify and build a comprehensive approach to organisational culture change but also
Chapter 4 – Pragmatic Culture Frameworks

could be used to encourage discipline in ensuring the four quadrants are represented in the change.

<table>
<thead>
<tr>
<th>Interior</th>
<th>Exterior</th>
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<tbody>
<tr>
<td><strong>I</strong></td>
<td><strong>IT</strong></td>
</tr>
<tr>
<td>Intention</td>
<td>Behaviour</td>
</tr>
<tr>
<td>Subjective</td>
<td>Objective</td>
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<table>
<thead>
<tr>
<th>Collective</th>
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</thead>
<tbody>
<tr>
<td><strong>WE</strong></td>
<td><strong>ITS</strong></td>
</tr>
<tr>
<td>Culture</td>
<td>Structure</td>
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<td>Intersubj</td>
<td>Intersubj</td>
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Figure 4: 5 – Wilber’s Holarchical Map – I/We/It

The four quadrants form a ‘holarchical map’ comprising “four very different types of holarchies (a hierarchy of holons), four very different types of holistic sequences” (Wilber, 1996, p. 73). According to Koestler (1967), who coined the term, a holon is a system (or phenomenon) that is whole in itself while also being part of a larger system. The four quadrants depict four territories that represent the **interior** and **exterior** dimensions of a holon or system, in both **individual** and **collective** forms. Wilber (1996) asserts that these four holarchies incorporate maps from the widest possible fields of study – philosophy, psychology, science, theology, art, sociology, geology, physics, medicine, anthropology, evolution, from ancient to new age and so on – ample for the focus on culture change.

To deliver holistic culture change, views from all four quadrants need to be included. I found it beneficial to step through each quadrant and analyse the holarchical map through the lens of working with culture change.

1.1. The **exterior dimensions (right quadrants)**

The right quadrants deal with exterior descriptors, the way that holons look from the outside, from an objective, scientific and empirical viewpoint. Objectivity, form and structure dominate this view. The right quadrants ask ‘What does it do?’, ‘How does it do it?’, ‘How do I know it’s happening?’ These quadrants have ‘simple location’ – every


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holon on the right side can be objectively observed, measured, located and pointed out. It is the basis of the scientific method. This kind of objective mapping underpins economics, with its emphasis on the bottom line, and on ‘productivity’ as the sole measure of success. This domain encompasses the ‘hard levers’ - the ‘structural base’ (Martin 2002) and ‘mechanics’ of culture: the shapers, measures of change, outputs, performance and behaviours as measured by KPIs, etc. These areas are most readily accepted within business but not usually closely associated with culture change.

1.2. The interior dimensions (left quadrants)

The left quadrants deal with interior experience – emotions, feelings, subjective experience, inner consciousness, levels of individual, collective intelligence and social dynamics. Whereas all right-hand quadrants involve direct observation/perception, all left quadrants involve interpretation. Thus the information derived from these quadrants can only be communicated through interpretation.

These domains are in the realm of ‘traditional’ culture change, focusing on the intangible meaning-making levers of culture change, Schein’s (2010) three levels of beliefs, assumptions and values. These ‘unseen’ dimensions of culture operate at an individual level and at a collective level. Because they are frequently unseen and therefore unacknowledged, beliefs and assumptions are often implicated in the ‘shadow’ and so may become troublesome for organisations grappling with transformation. Many attempts to change organisational culture have focused on these intangible areas.

1.3. The collective dimensions (lower quadrants)

The collective quadrants are concerned with culture and with the organisational structures and processes that shape the social world. The lower-left quadrant harbours the interior meanings, values and identities that people share – the shared collective worldview, the social values. As Wilber (1996) observes, an individual’s “thoughts only exist against a vast background of cultural practices and languages and meanings” (p. 82). Focus on the ways that people in organisations come to share understanding and practice is particularly relevant when undertaking corporate culture change projects. The lower-right quadrant refers to the social – the exterior, material, empirically measurable components of a system, and the institutional forms of the community – the systems-
Chapter 4 – Pragmatic Culture Frameworks

management worldview. This quadrant is the domain of the cultural shapers, processes and systems fundamental to reinforcing culture change.

Application of this framework helped to identify a number of principles for successful culture change in practice. One of the challenges was to try to bring the right and left quadrants together in practical ways. I approached this by forming links between the intangible and tangible and measures of effectiveness, identified as ‘Results’. Demonstrating the relationship between culture change and performance was an important part of the Action Research process.

![Figure 4: Wilber’s Holarchical Map – Culture aspects within each domain](image)

**Source:** C.Kirk

### 1.4. All quadrants are interwoven and mutually determining

Wilber (1996) claims that each worldview is interdependent, that none can stand alone (an essential principle of holons). As an example, ‘individual thought’ has at least four facets/aspects – intentional (top-left quadrant); behavioural (top-right quadrant); cultural (bottom-left quadrant); and social (bottom-right quadrant).

The social system (bottom right quadrant) will have a strong influence on the cultural worldview (bottom left quadrant – interior collective), which will set limits to the individual thoughts (top left quadrant), which will register in the brain physiology (top right quadrant) (1996, p. 81).
Chapter 4 – Pragmatic Culture Frameworks

<table>
<thead>
<tr>
<th>Interior</th>
<th>Exterior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>The form and content of the thinking will be expressed as individual thought</td>
</tr>
<tr>
<td>Collective</td>
<td>which sets limits on the thoughts an individual can have</td>
</tr>
</tbody>
</table>

*Source: Ken Wilber 1996*

Figure 4: 7 – Wilber’s Holarchical Map – I/We/It influences

*Source: Wilber (1996)*

The implication of the above is that because of the inter-relationship between each quadrant, it is impossible to transform organisations from within one isolated quadrant alone. Wilber comments that one-quadrant interpretations have a ‘moment of truth’ to them. But because they may not adequately include the other quadrants, they can fragment and distort the original experience.

This is an essential aspect of navigating the complexities of culture. Culture change needs to be viewed as including both ‘depth’ (assumptions, beliefs, values) and ‘surface’ (shapers), and also the external factors in which the organisation resides. It needs to incorporate the culture itself, the behaviours, the operational and structural shapers – all within the context of the external environment and performance sought. This is the realm of the 4 quadrants of ‘I/we/it’.

According to the Integral Business Leadership Group (an international consultancy that has specialised in the use of the Integral Model for over 20 years), the model “integrates the four major theories of business management, as interpreted from an Integral perspective:

- Theory X – which stresses individual behaviour;
- Theory Y – which focuses on psychological understanding;
- Cultural Management – which stresses organizational culture; and
- Systems Management – which emphasizes the social system and its governance.
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Because of its holistic approach, the model provides a comprehensive framework for situating and understanding modern approaches to business and leadership” (The Business Integral group, http://www.businessintegral.com).

Wilber's framework was used to consciously and continually check the use of the Culture Shaper Framework being developed within this research phase to ensure it addressed all four quadrants of the worldview. Further, when deploying an intervention within one quadrant, awareness of the impact on other quadrants meant activity could be designed for multiple outcomes ensuring sustained change. If we don't take all four quadrants into account, “we’ll be sitting in our favourite quadrant, explaining to people why we have the new paradigm, and transformation will sail on without us. We will go limping into the future” (1996, pp. 82-83).

Similarly, Wilber claims that a malformation or pathology in one quadrant will reverberate through all four quadrants, because every holon has these four facets to its being. So an organisation with an alienating mode of production (lower right) may have an impact on low morale for the staff (upper left) and affect stress levels (upper right) that might instigate depression in members of the workforce … “cripple one quadrant and all four tend to haemorrhage” (1996, p. 138). This is one of the classic problems I have observed in culture change projects that do not deliver results.

A recent public example of this phenomenon can be observed in an Australian telco’s efforts to shift their culture to be more customer-centric. At the top level of the organisation, an effort was made to increase market share by offering customers better deals, more flexible options, and so on. A sales push was instigated which relied on the incumbent systems and processes, including commission-driven cold calls to current and newly departed customers to persuade them to enter long-term contracts.

Unfortunately, two contradictory newspaper articles showed the difficulties associated with this change. One extolled the telco’s customer-centric values; the other described a series of aggressive sales tactics. In this case, the desired left-quadrant values did not appear to have been integrated with a change in sales processes; nor communication of the new values to ensure an alignment between espoused and actual values (SMH, 2010). Hence it appears that the old culture had perpetuated itself rather than being radically transformed.
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In order to minimise such problems, the important principle of inter-dependence between the quadrants became a crucial standard for my search for a culture model and culture diagnostic; and also when implementing culture change initiatives. Using a holarchic approach, introduced by Wilber’s 4Q (1996), was a key initial step in starting to navigate culture change.

This discipline of checking against the 4Q model led to my reinterpretation of existing culture models and highlighted the need to develop a more comprehensive or developmental model to include the various schools of thought I was researching.

2. The layering and components of culture

A number of definitions of culture highlight a layering of components – from deeper foundation layers of assumptions, beliefs and values (Schein, 2010) to more observable layers such as norms, practices, myths and symbols as reflections of the deeper assumptions and beliefs.

Dick and Dalmau (1985) view culture as “multi-layered, ranging from specific behaviours to very general patterns. What we see of it is the most superficial layer — behaviours and objects. All we can do is observe behaviour and change behaviour, even when we are trying to reach the deepest levels (the mythological levels) of cultural existence” (1985, pp. 171-2).

Schein's (2010) three level model of culture has acted as the base for many culture models over the past decades. His three levels refer to how observable the culture is. The iceberg metaphor aptly places the least visible and more unconscious layer of basic underlying assumptions at the base of the iceberg – below the waterline, followed by espoused beliefs and values. At the most visible level, are artefacts, the more tangible aspects shared by the members of a group, including behaviours, physical attributes, language, stories, myths, rituals, symbols, technology, and so on.
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Although I find the concept of the iceberg useful, I believe there is more to the layers (both seen and unseen) of culture. The ‘culture egg’ or ‘onion’ model below portrays a model of viewing culture. It depicts culture’s multi-layered nature, from three implicit and often unacknowledged layers to four more easily accessible manifestations.

Figure 4: The Cultural Underpinnings and Layers
Source: C.Kirk, based on Schein, Lindberg et al

This diagram also illustrates the influence each layer has on the neighbouring layer. As Kotter and Heskett (1992) comment, “Each level of culture has a natural tendency to influence the other. This is perhaps most obvious in terms of shared values influencing a group’s behaviour … but causality can flow in the other direction too — behaviour and practices can influence values” (p. 4).

The influence of each layer on the next is reinforced by the nature of holons … each formed out of the existence of and including the former. For instance, values are formed out of beliefs which are a response to assumptions. stories and myths are the way we communicate our values which become the baseline for ‘normal’ - the norms, what we believe to be how things are. The norms give rise to practices that both express and reinforce the myths with symbols being a ‘shorthand’ that communicates our beliefs to others.

However, this model is still limited. Holonic thinking requires that the internal/external and the individual/collective nature of culture all be included. Another missing aspect of the framework was the area of behaviours and decisions. How could culture’s impact on behaviours be depicted? As discussed in Chapter 1, behaviours are frequently shown as not directly being a part of culture even though they are highly influenced by
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the culture. I concluded that while behaviours are separate from the culture depth/‘culture superstructure’, they reside in close proximity as part of the ‘surface’ landscape of culture, along with shapers, decisions and so on. How to depict this close link between culture and behaviours and decisions? I refined an existing IBM model to draw a link between the two.

Figure 4: 9 – The Cultural Impact on Behaviours
Source: IBM Model Adapted by C. Kirk

3. Culture in the context of complexity and chaos

As part of my literature and Action Research, I continued to pursue the question of why some culture change programs failed to deliver sustained change. I intuitively knew that there was no obvious step-by-step culture change process, yet a number of organisations deployed the culture change in such a manner. From my experience, it seemed the best approach to culture change was to view it as a large and systemic whole, where change could often only be understood ‘after the fact’. The answers fell into place when working with Dave Snowden (1999), a leader in chaos and complexity study and the creator of the Cynefin framework.

Cynefin was invaluable in providing the language to understand the complexities of culture change and why so many approaches and tools were fundamentally flawed, being too simplistic, superficial and/or ‘ordered’. The framework not only gave the language to explain aspects of the complexity of culture change but also to purpose-
build interventions that fitted their specific contexts. If an environment was simple, a simple solution might work; where complex, a completely different approach of implementing, tracking and refining would be needed. Cynefin’s five domains gave this clarity – a perfect fit for working with culture change.

The right half of the framework is the ‘ordered’ domain. In this domain, there is an apparent ‘correct or ideal way of doing things’, and a so-called ‘best practice’, where approaches such as Systems Thinking and Scenario Planning prevail. The first domain (bottom right, Empirically Known) has a direct and predictable relationship between a cause and its effect; this is the domain in which standard process engineering and new procedures can be applied to fix a situation. The second domain (top right, Empirically Knowable) has an assumed relationship between cause and effect but is more difficult to decipher and requires analysis to understand and see the relationship. If enough effort and research is put into it, the ‘knowable’ domain can ultimately move to the ‘known’ domain.

The left-hand side domains are those of Un-order, namely Complexity (top left) and Chaos (bottom left). Un-order presumes no known or knowable set of patterns or relationships. In the complexity domain, the pattern and relationships may become knowable in retrospect, if at all. In chaos, there is no evident or observable cause and effect relationship. Any interventions used in these two domains are not standalone and will influence the patterns and outcomes.
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Culture change appears to firmly fit within the left-hand domains of this model. Changing a culture is highly complex and unpredictable, the interventions need to be continually evolving to address the current responses, in many cases, results cannot be predicted. Yet my observation is that traditionally, many of the transformation mindsets and skills, culture tools, diagnostics and approaches are applied from the more static known and knowable domains. Many programs seed their failure at this point.

Discovering this model had a profound impact on my approach to designing change programs. The model gave the language to articulate and refine what my experience in the field had shown me: failure will result if one does not match suitable change approaches according to the domains and complexity in which the change resides.

Some programs do not need the complexity of ‘un-ordered’ change to deliver the benefits desired and can be carried out quickly and expeditiously without forays into the Complexity or Chaos domains (for instance in making adjustments to a mechanical manufacturing process, one needs to apply a prescriptive and predictive model, approach or tool to achieve the outcomes (from the known and knowable domains). However, culture change programs often suffered from the opposite difficulty. They were being designed and implemented as though they were ordered problems with ordered solutions.

4. A Culture Framework – First generation

4.1. A model to position culture work within organisations

My emphasis on application meant that the model I was developing needed to address the practical question of how to work with culture. I needed a pragmatic model. I was seeking not just a picture of culture but also some distinctions regarding how to work holistically with culture (i.e., the ‘soft’ and ‘hard’ aspects of culture). Where do behaviours sit with values? Where do strategy and goals fit with the deep-culture aspects? What is the relationship between culture, behaviours, strategy and financial performance measures such as Return on Investment (ROI), Operational Expenditure (OPEX) and other monitors of financial status?
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Unlike most models I had seen, Tosti and Jackson’s (1994, p. 60) early framework illustrates the relationship between an organisation’s culture and its performance. The framework describes ‘two interdependent paths for providing direction’, to help people translate the vision of the organisation to specific business results.

![Diagram of the First Generation Culture Framework](image)

**Figure 4: 11 – The First Generation Culture Framework – based on Tosti**

**Source:** Based on Tosti and Jackson (1994)

This model goes some way towards depicting a holistic and balanced view of culture change, breaking down some of the siloed thinking that I see can limit the success of culture change. In reviewing the Tosti and Jackson model, I discuss some of the key aspects as they relate to influencing culture. While the model is a good foundation for culture change, it misses some of the complexity of the different inner and outer quadrants of Wilber’s 4Q model and the depth of Schein’s 3 levels of culture.

**4.1.1. Vision and Mission**

From a change management perspective, one critical success factor of change management is ensuring there is a case for change, one that engages the intelligence as well as the hearts and motivations of the people. The organisation’s vision/mission is its intent. It provides a guide for the organisation’s culture (and subsequent behaviours and attitudes), goals and plans. A good vision needs to inspire and engage the whole organisation, from the left-brain, logical-sequential thinkers to the right brain, relational-analogue thinkers. An engaging vision/mission is critical to winning hearts and minds.
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In conducting Phase 3’s Action Research in organisations, it was apparent that without a clear and compelling vision and case for change in a culture change project, there was less chance of success. In one large culture change program, the organisation was successful and cash rich. For its long-term viability however, it required a fundamental shift in its direction, culture and way of operating. As the organisation had no ‘burning platform’ that would engage the peoples’ hearts and minds, we had to create a compelling reason to embark on personal or wide-scale change.

4.1.2. Strategic goals, objectives and activities

Boston Consulting Group (Olsen, 1999) refers to levers for effecting culture change through planning, budgeting, target setting, measuring performance, establishing priorities, and determining acceptable behaviour. In my opinion, these elements shape culture. To quote BCG, “Vision creates intent. Culture determines action … Aligning a culture to support … a vision … is primarily a matter of aligning management processes to support value creation” (p. 2). If the vision and culture are aligned, the organisation will work towards translating the vision into strategic goals. This incorporates how the organisation allocates its broad resources over a specified period of time in order to achieve the vision/mission. Groups and individuals must accomplish aligned objectives in order to carry out these strategies. Objectives refer to the kinds of goals set and the results expected from the teams. The activities undertaken towards these objectives are where the “rubber hits the road” (Tosti and Jackson, 1994, p. 59).

Sampling the activities of the organisation reveals a snapshot that indicates how effectively the vision, strategic goals and values have been translated into behaviours to produce bottom-line results. Since activities occur in current reality, in the present, it is through ‘activities’ that things can be made to change and happen. It is activity that ideally should close the gap between current reality and the vision. It is activity that makes the vision real.

4.1.3. Values, practices and behaviours

Values, in an organisational context, define how people are expected to behave in order to achieve the mission/vision. Practices are ‘the typical ways in which people interact with customers and others both within and outside the organisation’ and need to reflect the organisation’s values. Values are practised within the context of the larger social environment and thus reflect particular community values as well as changes to those values. For example, the changing expectations of customer demands for instant
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solutions reflects the effect of technology on society, which in turn, puts strains on the internal organisational processes and stress on the individuals. Behaviours refer to the specific day-to-day actions that represent the values and practices to others. Behaviours occur in the ‘now’ as people go about their work. This provides a further context for things to change and happen.

One of the crucial links here is infrastructure, the policies, systems, performance management systems, etc., that either do or don’t support the values and behaviours required to achieve the vision.

4.1.4. Results

Results are the outcomes produced by the sum of all the activities and behaviours, objectives and practices, strategic goals and values. The tangible results are easily measured through short-term sales volume, productivity, market share, ROI, etc. Results are more difficult to track and measure within the ‘softer’ dimensions of culture work. Assessment of these dimensions needs to incorporate company health assessments, turnover, share price, reputation, governance and regulation, customer satisfaction and retention measures, engagement surveys, staff turnover and achieved KPIs.

‘Results’ lie in the exterior collective quadrant of Wilber’s holonic, an aspect I believe is missing in the Tosti and Jackson model (Figure 4:11). Although the results are, in theory, the outcomes produced by the sum of all the activities and behaviours etc, they tend to default to the more easily measured, hard/tangible markers of sales volume, productivity, market share, ROI etc. Results are often missing from the right side of Tosti’s model’s culture work (values, behaviours etc). At best, they are assumed as evident through the traditional company health assessments, staff engagement and customer satisfaction and retention measures, and promotion trends.

However, to fully represent a holistic view of culture, there is a need to measure outcomes for the more elusive aspects, such as changed behaviours that achieve the target vision and so on. Both the left/tangible and the right/intangible dimensions of the Tosti and Jackson model need to be integrated to yield trackable and measurable results, fostering accountability in its interventions; in other words, both need to be measured.
4.2. The How, the why and the what

As part of this review, I selected an additional culture model by Juechter, Fisher and Alford (1998, p. 63) who devised a framework comprising three distinct subsystems: the ‘why’, the ‘what’ and the ‘how.’

1. The ‘Why’ sub-system: This is why the organisation exists and where it’s going … its purpose, mission, and values. The ‘why’ is the purpose/mission/vision in the Tosti and Jackson model.

2. The ‘What’ sub-system: This is what the organisation does to pursue its purpose and accomplish its mission, its strategies, structures, systems and skills. ‘What’ corresponds to Tosti and Jackson’s left side of the circle. Juechter et al’s model also incorporates the organisations’ values into the ‘what’ sub-system. However, I would argue that the values belong in their third sub-system, the ‘how’.

3. The ‘How’ sub-system: This is how the individuals, teams, divisions, departments and other subgroups interact … people’s attitudes, habits and behaviours. The ‘how’ corresponds to Tosti and Jackson’s right side of the circle; the interactions of people.

Juechter, Fisher and Alford (1998) state that culture is, “the cumulative expression of all the subsystems: the why, the what, and how. Its’ ability to perform is either reinforced or undermined by conditions within each subsystem” (p. 66). By emphasising the ‘how’ this model starts to look more holistically at the complexity of interactions, the cause and effect of the ‘what’ and the ‘why’ sub-systems – something that is missing from the Tosti and Jackson model.

From my observations, a number of early culture consulting specialists, who were grounded in humanistic theory, tended to favour the intangible side of culture (top-left and bottom-left quadrant of Wilber’s model), and focused less on the external tangible outcomes as they link to the vision and targets (Tosti and Jackson’s model; Wilber’s top-right and bottom-right quadrants). On the other hand, the traditional, large-scale consulting organisations of the past tended to focus predominantly on the external tangibles and avoided focusing on the intangible aspects of culture. I observe that a number of culture change consultants still hold a bias in their approach, favouring one approach over the other, often at the risk of long-term sustainable and measurable
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change. At the very least, the lack of integration may minimise the level of benefits realisation and return on the investment of time and resources.

In reviewing the models of Tosti and Jackson (1994) and Juechter, Fisher and Alford (1998), I could see that a synthesis of the various models was beneficial; and I began to combine aspects into a new form. The model needed to bring the ‘how’ of culture together with the ‘what’ of culture. The challenge of working with and understanding organisational cultures involves combining both spheres with results.

![Organisational Culture Diagram](image)

**Figure 4: 12 – The First generation Culture Framework - Developed**

*Source: C. Kirk*

![Further Developed Diagram](image)

**Figure 4:13 – The First Generation Culture Framework – Further Developed**

*Source: C. Kirk*
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Figure 4:13 shows the links between the two aspects of organisation to demonstrate the effect each has on the other. It provides a useful, practical way of reinforcing the idea that change activity does not build the effectiveness of one aspect at the cost of another. For instance with this model, a change lead can cross check the effect of a structural change in, say, a particular functional area of a business for alignment to the company’s values, the effect on leadership behaviours as they are (or should be), on the behaviours of the whole organisation or specific areas and with respect to the artefacts and symbols, the history, of the organisation. Vision and Results represent an axis that holds the enterprise together, providing both the direction and the reality check on the company’s relevance to the marketplace.

5. The Culture Framework – second generation

This research phase resulted in further development of the culture framework and in its application within change projects. In studying the frameworks and then trialling key ideas, I was searching for ways to underpin a holistic approach, one that reflected the ‘I, We and It’; the individual, the collective and the organisation itself. I was seeking an approach that could work directly with the tangible aspects of organisational culture while simultaneously enabling the change program to effect change on deeper levels of the culture.

Figure 4: 14 – The Second Generation Culture Framework

Source: IBM, adapted by C. Kirk
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The first iteration is presented as a series of influences that work in a layered fashion. For simplicity, it presents as one directional - which is not the reality. Reading from right to left, performance is the result of the behaviour and decision making activity of the organisation’s employees. The culture phrase, ‘how we do things around here’ captures the focus on behaviours and decisions in culture. It also poses the question, of whether, ‘how we do things around here’ is in line with our performance targets.

At the next layer lie some root causes of why these behaviours and decisions are as they are through identifying shared values and beliefs (part of the essence of culture). These root causes are visible through the manifestations of culture and through behaviours, and are reflected and reinforced by the ‘shapers’ box on the left of the model.

5.1. The shapers of culture explored

The left section of this culture framework, I refer to as the ‘shapers’ of culture. The shapers incorporate most of the components of Tosti and Jackson’s (1994) framework, and add further soft and hard levers (Strategy, Leadership, Engagement, HR Practices, Skills and Capabilities, Structure, Systems and Processes, Technology, and External Business Context). They are the levers that have a powerful impact upon culture, and in turn, competitive performance. They are also a means to manage, reinforce and maintain culture.

5.1.1. External Forces

This is one of the shapers that I added, after studying Carlpio (2003), Denison (2000) and Kotter and Heskett (1992), all of whom included external aspects as the key to balanced culture change. It was reinforced by my experience in working with the Harvard Case Studies (Chapter 1) and with the Leaders’ feedback in the CEO Survey (IBM 2002). This shaper includes aspects such as the business, social and environmental context in which the organisation and its culture/s operate. It includes the competitive context, although in today’s e-enabled world, collaboration and alliance issues are going to be as critical as competition. This context is often the key reason why a culture change program is required. Questions that arise include, ‘do people in the organisation understand the competitive context in which the organisation operates?’; ‘who are we?’, ‘how do we compete?’ and ‘what is required in collaboration and alliance with the external world in future?’
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External is not just about business factors; it is also about sustainability demands - increasingly influential stakeholders (social media, large superannuation fund managers, community activists), influence of government and governance bodies, industrial and immigration influences, changing social values, etc. In such a volatile, global-trading environment, this shaper is becoming even more critical. It is this shaper that provides a platform for organisational adaptation to changing circumstances and defines the case for change.

5.1.2. Vision and Strategy

As a result of working with this model in the early part of the Action Research, this shaper was prioritised as a critical driver of culture change and of engagement with the change. Culture change is more difficult, more expensive and often wasted effort if it is not aligned with vision, purpose and strategy.

In studying various specialists above (Tosti & Jackson etc), I concluded that the place to start is with a clearly understood and consistently applied strategy and business model to define and shape the targeted culture in line with the vision and purpose of the enterprise. Each critical culture-shaping initiative must support the strategy of the organisation because it is the strategy that ensures that the performance goalposts are clear. This should be the guiding force that drives why and how the culture needs to change.

An example of how important the alignment between culture change and strategy is occurred during my involvement with a large Australia-wide organisation that embarked on a culture transformation involving technical process change, behavioural change and leadership programs. Halfway through the project, it became apparent that there was a disconnect between the culture transformation and where the organisation needed to go for its future vitality. A number of months later, the company stopped the program, ceased trading and sold off its assets. For a company in trouble, the culture change strategy was potentially too big, expensive and too late to deliver the performance turnaround needed.

Kotter and Heskett (1992) state that, “culture in a business enterprise is not the same as a firm’s ‘strategy’ or ‘structure’, although these terms are often used almost interchangeably. Strategy is simply a logic for how to achieve movement in some direction” (p. 4). They further state that, “the beliefs and practices called for in a
strategy may be compatible with a firm’s culture or they may not. When they are not, a company usually finds it difficult to implement the strategy successfully” (1992, p. 4).

As a result of the experience cited above, in all of the culture change programs I have since implemented, vision and strategy have played a central and up-front role in shaping the program and the subsequent engagement. I have observed that paying close attention to the vision and strategy at the offset has paid off further into the change journey to keep activities on track and to focus people’s attention and effort on the point of the change. I concluded that culture work must be done in alignment with the purpose and strategy, if for no other reason than it is simpler, it can drive engagement and it can ensure a direction and case for change that is relevant throughout the life of the program. The challenge is one of alignment of all these shapers in order to deliver on the strategy and vision.

5.1.3. Leadership
In leading a number of culture programs as part of Phase 3’s research, it became evident that the actions of leadership are probably the strongest influencers of culture change – positively and negatively. Leadership actions send powerful signals about what is important in an organisation, communicating deep-seated beliefs, values, and assumptions. When a CEO spends significant time with customers and walks the floor to talk with line workers, he or she is communicating powerfully. Such actions outweigh any number of emails and newsletters from headquarters.

I knew this as a theory, but saw it reinforced when implementing a targeted culture change program in a global aviation company. The appointed leader was living the espoused values, embodying engagement and commitment and actively coaching and mentoring in the new ways of working. His actions engaged and inspired his employees to actively support the change. The role of company executives in leading and nurturing the culture on an ongoing basis is thus critical for shaping culture change. In this case, the culture changed in a sustainable way, with the leader role modelling the new ways of working. The results (as shown in customer satisfaction, customer adoption and turnaround times) followed swiftly.

5.1.4. Communication and Engagement
Communication needs to take a more central role in supporting organisations to position themselves for the future. Communications is key to the delivery of the drive
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for improved collaboration, fewer levels of management, greater transparency and increased responsiveness and agility. Through the propagation of myths and stories, the way language, processes and technology is used to communicate makes communications both an artefact of culture and a reinforcement of the culture. It reinforces the messages of ‘who we are’ and ‘how we’re supposed to be’.

Communication played an important role in culture change in a number of customer programs in the Action Research Case Studies. It became evident that it is not simply communication that is required, but engagement, genuine, two-way communication channels to engage top-down, bottom-up and cross–silo. The type of communication that supported engagement was most frequently face-to-face communication, provided it was also in alignment with other communication and messages being sent through the organisational system.

Establishing quality communication was oftentimes quite counter-cultural and therefore difficult to implement effectively. However, when the same old email trails were created because it was easier and less time consuming and more culturally acceptable than face-to-face conversations and other forms of dialogue, it resulted in critical culture change opportunities being lost.

5.1.5. HR Practices

The HR Practices shaper is essentially about how an organisation recruits, develops, deploys, promotes, rewards and disciplines people. Pertinent culturally-oriented HR practice questions include: Are the right people hired with the right values? Are development opportunities, such as mentorships established? Does the performance review process promote learning and development or simply tick boxes? Are managers adequately qualified with coaching and people skills? Do the best people get promoted? Do the people who are role modelling the future culture get promoted? Is promotion a function of time in job or merit? Is there consistent consequence management in place? Are there consequences for behaving in a way that reflects the ‘old’ culture? Are the rules clear? Are dismissals handled respectfully? How are people rewarded for their performance?

This shaper includes compensation benefit systems, competency mapping, commitment to work/life balance, succession planning, recruitment, learning programs, socialising, wellbeing programs and so on.
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The Behaviourist principle that ‘people will do in the future what they are rewarded for today’ is useful here (although it is not the whole story). In this case, performance measures codify culture, and so are a critical shaper within Systems and Processes. Pertinent questions therefore include: What is measured? Are the measures clear? Are there so many measures that their overall effect is diffuse? Do they emphasise individual contributions? Do they focus on group goals? Do they value short-term thinking, planning and action, or only decisions and behaviours linked to longer-term success? Do the measures reinforce or unknowingly undermine today’s business strategy? Increasingly people are motivated (or retained) by non-financial rewards such recognition, appreciation, developmental opportunity and inclusion in decision making or strategy processes.

The most obvious HR practice to deploy in shifting behaviours is to ensure the Performance Management System is aligned to reinforce the new culture’s direction and behaviours and to actively discourage old practices. This, along with aligning KPIs, bonuses and other reward mechanisms, can often be the most effective HR practice with which to work. In a current culture program I am leading, this is the first lever I am choosing to focus on. In this example, examination of the criteria by which people are rewarded or restrained, how consistent the consequences are and so on is becoming one of the most important culture activities.

5.1.6. Skills and Capability

This shaper is another that I have added, one that is becoming a core focus for each culture program I embark on. While the shaper encompasses the recruitment of appropriately qualified and experienced people to fulfil specific tasks and roles; the main focus is on the development of capability to address the culture gaps identified. This is a shaper that needs to bridge both the ‘hard’ and ‘soft’ skill areas, from standardised technology, systems and processes training through to purpose-built management and leadership development and personal development.

As a shaper of culture, Skills and Capability can enhance or restrict the organisation’s ability to meet client expectation, innovate for the future, maintain quality and standards and provide an opportunity for competitive advantage as an employer of choice. Like Communication and Engagement, it is an avenue of shifting the beliefs and attitudes necessary to ensure successful change.
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Analysis of skill and capability can identify gaps to be addressed in a culture change process. In one organisation which had promoted people with specialist technical/scientific qualifications into management positions, there was a deficit of business acumen across the senior management level. Using internal resources to provide knowledge and skill in specific areas of business management, (e.g. financial reporting, budgeting, marketing and lead generation etc) duly corrected this.

Another organisation had little or no customer-service orientation. Customer service was poorly understood and disregarded in business development discussions. Once identified, the lack was addressed with interviews with key customers who provided constructive and creative feedback the organisation, training in customer relationship management and the development of a robust CRM (Customer Relationship Management) system.

5.1.7. Structure

Structure incorporates how the company is organised and how resources are deployed to achieve strategic objectives. It stipulates the organisation’s chart and hierarchy both formally and informally, and provides the platform of formal rules, policies and reward mechanisms that support the prevailing culture and set of behaviours. Culture is also underpinned by structures that are implied or covert, for instance, where the power structure plays out in reality; how the social networks are structured and how people, informally get the job done.

Structures can be loose, flexible and short-lived to encourage collaboration and cross-functional problem solving, perhaps at the expense of some functional specialisation. Structures can be rigid, formal, and control-oriented to promote functional control at the expense of some collaborative innovation, for example command and control structure. Both structures are valid if they facilitate the achievement of strategy. In observing past programs, structure was often mistakenly one of the few shapers deployed to drive a transformation, in the hope that changing the formal structure would change the power bases of the organisation. My observation was that this was rarely effective on its own unless accompanied by attention to all/most of the other shapers.

As a shaper for culture change, the informal social structure is more useful. Existing networks of influence and knowledge can be harnessed to communicate the vision;
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new coalitions of change knowledge can be created to engage people in adopting new behaviours in multiple locations, levels and functional areas.

5.1.8. Systems and Processes

Systems and Processes, another new shaper added as a result of the Phase 3 Action Research, includes anything from sales and customer-relations processes, communication processes, decision making processes, information and knowledge-management processes to more obvious performance-measurement processes.

Systems and Processes are often an area of focus without backup or reinforcement of the other shapers. I have observed a multitude of examples where Business Cases for tens of millions of dollars are signed off by Boards, with full expectations that technology and process change will deliver the required transformation. The result? New systems and processes were delivered, but without any attention paid to the incumbent culture and behaviours, the old habits stayed in place and the new processes were often bypassed, over-ridden or under-utilised, resulting in expensive new technology adopted back into old practices.

I have equally observed organisations investing significant resources in aligning culture shapers (leadership, strategy, communications and capability) while leaving their systems and processes intact. This sends mixed messages to leaders and employees and frustrates the drive for change. One global organisation in which I observed this phenomenon was a disciplined, bureaucratic, process-oriented and systematised operation. In working to transform their organisation into an agile, flexible, customer-centric company, they invested heavily in communications, engagement, organisation structures. Roles were redesigned, adjustment of HR practices took place, (KPIs, consequence management, succession planning etc), but the old familiar, processes were still left as the (hidden) dominant ‘ruler’.

The result? Managers and staff were caught in a bind. In trying to shift their decisions and behaviours towards agility and customer orientation, they found themselves stymied by the processes dictating the opposite, (multiple time-consuming signoffs, lack of empowerment at the customer-facing areas, punishment for taking risks outside the process guidelines and so on). Ultimately the agility drive failed.
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The requirement for systems and processes to be adjusted, changed or invented to support new performance requirements highlights the need for staff, at appropriate levels, to be empowered to make the process changes to support new behaviours. This can mean a high level of change activity, seemingly peripheral to the culture change. However, without the changes, I have observed new behaviours being very difficult to embed. The good news is that staff often know exactly what has to change as the systems and processes have often been frustrating performance for some time. The outcome of staff-generated operational innovations is that staff are actively engaged in the change at the level where they can positively contribute.

5.1.9. Technology

Technology was another new shaper, often acting as a key influencer of the organisation’s performance and behaviours, in a similar manner to the systems and processes shaper. Technology is often seen as the panacea of change – enforcing new processes, practices and behaviours – in an attempt to drive speed, efficiency and standardisation across the business. As technology becomes more central, moving from the specialised areas of organisations into the centre of the way the organisation operates across multiple functions, geographies and organisations; the more it is impacting an organisation’s culture and sub-cultures.

Technology is an alignment opportunity that I observe is frequently missed in culture change initiatives. Much focus is on the new initiatives driving the change, while ignoring (or prohibiting) any focus on large technology projects underway; potentially resulting in mixed messages, encouraging opposite behaviours and directions to those sought by the new vision and strategy.

In one Phase 3 Action Research project, I observed that technology could easily act as an enabler or a disabler of areas including information-sharing, collaboration, alliances, how performance is measured, how siloed or flexible organisation structures are and so on. Information Technology that was not aligned with the new vision of the future organisation sent the wrong messages to the employees, encouraging them to behave in specific ways and make decisions that continued to reinforce the old culture, including rewarding siloed behaviour and individual accountability (when the culture program was driving sharing, collaboration and team), discouraging risk taking by reporting and punishing any technology violation (when the culture program was driving agility, risk taking and innovation) and so on.


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6. Culture explored

The second section within the Culture Framework is what I consider the essential domain of culture, the area Martin (2002) described as the ‘cultural superstructure’. In this part of the framework, I reordered the elements and separated them into overt and covert aspects, taking into account Schein’s three levels of culture (2010) and the iceberg metaphor. I added a new culture element – assumptions. The bottom aspects (Values, Beliefs, and Assumptions) are the largely unseen elements of culture; and the top aspects (Symbols, Practices, Norms, Myths and Stories) are the more symptomatic and overt expressions of culture. I removed some elements such as climate, as I felt that short-term climate snapshots were not necessarily a good indicator of the longer-term underlying culture. Further, they are adequately covered under HR practices in the form of Staff Satisfaction Surveys, Pulse Surveys, etc.

Figure 4: 15 – Deep, Covert Culture Elements

Source: IBM, adapted by C. Kirk

Assumptions, beliefs and values are the core underpinnings of culture. They are established during the organisation’s formative phase, are reflected and reinforced by the shapers, and reveal the root causes of why behaviours and decisions are as they are. They are deeper and less tangible than other manifestations. The deeper one goes, that is the closer one comes to the level of assumptions, the harder they are to identify and change. They are usually identified through behaviour exhibited when a group or team is under pressure.

A recent example as part of Phase 3’s research was observing the behaviour of a group of ‘high potentials’ who were asked to compile a list of cultural beliefs within their organisation, a 100-year old company with a conventional, conformist culture. The immediate reaction was one of fear and a refusal to do so without a statement of executive endorsement. The reaction revealed a powerful story within the culture that it was not safe to ‘break the code’, there was fear of repercussions in ‘telling the truth’. 

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Further investigation and discussion revealed that this was indeed the case; people were inclined to do what they were told and not rock the boat.

In continuing to explore how to work with culture change, the question arose whether one could effectively change culture without working with the deeper levels (values, beliefs and assumptions). I had observed that behaviour change tended to be cited as a two to three year change task, whereas shifting values and beliefs was touted as a longer and more intensive five to ten year effort.

An enduring question throughout this study was whether one had to work with the deeper ‘soft’, personal development-oriented interventions or could one focus on the more overt practices, norms and shapers. Through the course of the nine culture implementations, I observed the risk inherent in only approaching culture change at the more obvious levels – namely working with myths and stories, norms and behaviours – and reinforcing them with culture shapers. Without working with the riskier, more complex and often hidden areas of values, beliefs and assumptions, one can achieve change, but the change is at risk of being less sustainable and more prone to changing back at the request of leadership or the reinforcement of a KPI.

6.1. Values

Values are those aspects of (organisational) life believed to be valuable to the individual and/or the group and/or the overall organisation. They are a statement of how things should be. Examples of values include ‘we value hard work’, ‘we value client service’, or ‘we value product innovation’. Some organisations I worked with made a distinction between foundational values, those values that will continue to define the behaviours of the organisation for the long term, and brand or market values, those values that will change to reflect a new strategic direction or changes in market demographics.

A common mistake I observed in implementations was to confuse espoused or aspired values with actual values; it was sometimes useful to conduct a gap analysis of values to understand any discrepancies. Ultimately, the aim is to explicitly align the (espoused and actual) values between the business, the strategy, and the external and internal individuals and parties.

Sanitarium, an Australian consumer products organisation, is an example of an organisation my team worked with which took its values seriously in a manifesto.
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developed as part of a change program. “Its total set of policies, practices and strategies must reflect all the values and tenets of the church (Seventh Day Adventist). No practices and behaviours will be tolerated which compromise or undermine the truth” (PwC Consulting Program with Sanitarium, 1998, n.p.).

Values are the steering mechanisms, the preferences for certain kinds of behaviour over other kinds. The CEO of a global Merchant Bank (IBM, 2002), when interviewed as part of Phase 1’s research on the role culture played in sustainable performance, commented that the combination of defining risk and then creating an innovative culture of risk-taking within the parameters, has been a key to their success. It is now so internalised in the culture, that rarely does anyone get sacked for it.

Twenty years ago, [unnamed] Bank laid the foundations for our risk management culture and it took five years of hard work with the senior management group in setting the [values] and the standards and, at that stage, enforcing those standards. But now it’s a living thing and we are working on adapting it every day. We incorporate new aspects of culture… We don’t have many rules – but people have to obey them. Most people internalise the rules and we don’t have to take any actions.
(CEO – Global Investment Bank)

I have seen an increasing focus and hunger for alignment in values within a number of organisations. Not only are companies selecting employees based on values’ matches; employees and customers are also starting to select companies based on their values matches. The process of culture change is, in part, the process of realigning values. If the values don’t need to be realigned, then culture change may not be needed in the first place. Other interventions such as new competencies or systems may be required instead.

6.2. Beliefs (and Philosophy)

Beliefs are the aspirations of the individuals which are aggregated into the whole of the organisation. They give rise to values, and are the things that make the values authentic. Examples of beliefs encountered within the Action Research implementations included ‘we believe hard work results in better work and higher revenues’. ‘If you stick your head above the parapet and risk speaking your opinion,
you may get shot’. ‘If you are not working late then you are not contributing to the company’. Some beliefs express generational values, some developmental values and some ethnic or gender values.

Philosophy tends to be the stated policies and ideologies that guide an organisation’s actions toward owners, employees, and customers. For example, the employee handbook of the US retailer Nordstrom conveys two axioms before all else. “First: the customer is always right. Second: When in doubt, refer to rule number one.” Good belief statements answer the question ‘why?’ and allow one to get down to the Assumptions that lie beneath the Belief.

6.3. Assumptions

The assumptions are the fundamentals that the organisation and/or the individual holds to be true. They reside at the deepest level and are the hardest to access, and therefore change because they reside in the deep structure and history of the organisation. They are the habits of thinking and meaning making that are developed in the founding stages of the organisation which have led to its success over time. They are the base which gives rise to beliefs, values and ultimately, behaviours. beliefs and assumptions are closely intertwined with the past, especially in organisations with a stable membership, and are rarely examined.

As the research progressed, the importance of addressing the deep-seated beliefs and assumptions through shared experience of new, successful behaviours were highlighted. A number of such examples were noted in the A/NZ 2002 CEO and Chairperson Survey (IBM 2002). For instance, in the Army, there was a newly stated belief (at the time of the 2002 interviews) that honesty is an appropriate response in all situations. One of their new core values was “Tell the truth – inside the Army” (A/NZ CEO and Chairperson Survey, IBM 2002). This is a dramatic shift from previously assumed beliefs that telling the truth might be career-limiting. A change in beliefs can have a big effect on an organisation’s culture.

As part of a global petrochemical corporation’s global culture program, it developed a new set of assumptions to underpin the target culture. One of these was supporting the value of networking and collaboration. If an area in the organisation has a problem and they ask for help, they will get it and without
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cost. Personnel with the relevant expertise will be flown in to solve the problem. As the Asia Pacific’s CEO commented, this changed people’s beliefs about the company’s capability and affected their behaviours and decisions, ultimately contributing to a shift in the culture. (Regional Leader - Global Petroleum Organisation, IBM, 2002)

Figure 4: 16 — Observable Culture Elements

Source: IBM, adapted by C. Kirk

6.4. Symbols

The more accessible manifestations of culture are symbols, practices (newly added as a result of Phase 3’s research), norms, myths and stories (also newly added to this culture model as a result of the research). These are easily seen when one enters an organisation.

Symbols are objects or events you can see, feel and touch. They are artefacts such as the icons, lore, rituals, and traditions. Dress code, office size and setup, office and desk space, furnishings, titles, lots of noise, no noise in the offices, car park rules, technology, vision and mission statements, and safety equipment are indicators - or symbols - of culture. A symbol is more than itself; it conveys meaning to observers and embodies strong messages about what is important in a culture. The meaning conveyed may be positive, and include events such as annual ceremonies and celebrations. However, the meaning conveyed may be negative, such as when lavish corporate parties are thrown when annual bonuses for the rank and file have been cut because of poor business results or a thousand people laid off while the executive are rewarding their own performance with extravagant bonuses.
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When creating a new culture as part of the Action Research, decisions needed to be made about what to do with the old symbols, and when to create new symbols (for instance, getting rid of the retirement watch because it symbolises a more traditional organisation). Unfortunately people for whom those symbols are irrelevant often make these decisions and their disappearance can fundamentally disturb the stability of the culture. An example was observed in a government agency where long-serving staff members were ‘rewarded’ with trips to overseas conferences. A shift in operating model saw conference attendance granted to those best suited to learn from participation or those who could best build the reputation or credibility of the organisation in the field. Other forms of ‘reward’ had to be designed to ensure the status of the previous group was not diminished in the eyes of their peers.

With a merger, two organisations come together with two sets of symbols. For example, when IBM acquired PwC Consulting, it had to make conscious (and unconscious) decisions about which symbols to incorporate, and which to leave dormant in the hope that they would ultimately disappear. A fundamental symbolic message was conveyed when the acquirer (IBM) stated globally that the acquiree’s competency framework (that of PwC Consulting) would be adopted across both organisations; this sent a message that the acquiree had skills and people that were taken seriously. An equally strong message during the merger was IBM’s retention of the term ‘partner’ for its Executives to ensure the status of the PwC Consulting partners was not lost in the merger. Titles such as this are emotive and carry much symbolic weight.

Symbols are particularly important in global organisations. Companies that flatten the management structure, getting rid of titles in the process, run into difficulty when trying to institute the practice in Asia where, for example, the business card and the title are essential to business relationships.

6.5. Practices and Norms

Norms are the prescriptions that guide the practices. Always connected with values, they are the standards and rules that evolve in the organisation. They often evolve around ways of dealing with the rules of the organisation, for example with creating work-arounds’. They embrace matters at all levels, from dress codes, staff working hours, and attitudes about weekend work, to whether or not a slow-growth strategy is
acceptable. Norms, often unwritten, affect performance and the decisions made by managers and employees and are often passed on during induction or training. An example of entrenched norms and practices was uncovered within some NSW railway workshops\(^1\) where staff colluded to create a situation in which no one could work more than four hours a day despite the official day being eight hours.

In a different railway corporation, one steeped in tradition, practices and norms were extremely important in the culture change where staff often represented two or three generations within a family. When this organisation undertook a culture shift around safety practices, it was through an intensive and consistently revealing discussion and challenging of the norms. Some norms were impossible to change and other measures had to be taken to ensure safety within the context of the practice. An example was a route to the car park favoured by workers that crossed live rail lines, widely accepted as a dangerous practice. All sorts of gates, signs, incident reporting, fines and more serious consequences made no difference to the unsafe practice so a specially designed safety bridge was constructed which allowed workers to continue to take the shortcut to the car park however in a way that ensured their safety.

### 6.6. Myths and Stories

Myths and stories are derived from shared norms and values, and act as ‘cultural codes’. Myths are stories with an emotive impact that give expression to a selection of covert (assumptions, values and beliefs) and overt (symbols, practices, norms) manifestations of culture. Artefacts are an important part of this. I observed that this could be a useful mechanism during culture change. In a number of the Action Research organisations, we chose to actively uncover myths and identify which were relevant to the new culture and which old myths would reinforce the old practices and opposite direction. In one organisation, we actively embarked on a Myth Buster campaign to help reinforce new messages, we also used the active rumour mill to spread new myths, stories of successful change that were aligned to the vision, and we then reinforced the myths through communicating a Journey Map, depicting where the old and new myths stood in relation to the organisation’s future.

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\(^1\) Source – Emeritus Professor Dexter Dunphy – when working together in 2004.
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7. Behaviours and Decisions

![Behaviours (Decisions)](image)

**Figure 4: 17 – The Outcome: Behaviours**

**Source:** IBM, adapted by C. Kirk

As the research continued, the impacts of organisational culture upon two overt aspects of performance, behaviour and decisions, became increasingly apparent. Because behaviours and decisions are more overt, they are relatively easier to identify, work with, change and track. However, I knew from earlier studies of Wilber’s model (1996) that it would not be sustainable to work with these alone. There are deeper, underlying values and assumptions represented in behaviour; often symptomatic of the driving forces of the business. Similarly, decisions are representative and a reflection of the quality of thinking, of the mindsets, assumptions, beliefs and attitudes of the business.

The people aspects of performance are driven by the behaviour and decision making activity of the organisation’s employees. The phrase, ‘how we do things around here’ captures the focus on behaviours and decisions in culture. It also directly points to the issue of whether, ‘how we do things around here’ is in line with our performance targets. When behaviour and/or decisions run counter to either customer expectations or needs, it can be damaging to reputation and brand and result in a falling market share. Behavioural norms are the ingrained behavioural patterns. They are the written and unwritten codes of practice which dictate daily behaviour at work, what you need to do at work to ‘get on’, and the career limiting moves to avoid. Acculturation is rewarded, both formally and informally.

Discussion on behaviours brings the focus onto which behaviours and types of decisions need to change. It starts to address the questions of ‘what will this look like?’ ‘What will be different?’ What needs to change in order for us to get to where we want to be? It helps move the conversation from a grand theory to an organisational reality. It is usually an easier discussion in that people are looking at what needs to change to
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make things better and, at the point of discussion, there is no accountability entailed. It is often believed to be easier to change behaviours than to change culture so discussion on the topic can begin the process of understanding the role of interpersonal relationships, emotional intelligence in organisations, self-awareness and leadership in maintaining a culture. Further, discussion exposes what can be changed, what can be redirected and the strengths that should be retained as the culture changes in order to achieve performance.

As part of Phase 3’s Action Research, I developed a useful process in articulating behaviours to reinforce and identifying old behaviours to stop. The value of this process lay in assessing what was reinforcing and allowing the old behaviours to continue and addressing these mechanisms (by putting in consequence management, new messages, leaders behaving differently and so on).

8. Performance

**Figure 4: 18 – The End Result: Performance**

**Source:** IBM, adapted by C. Kirk

Through the process of Phase 3’s research, it became clear that culture work should be embarked upon to shift performance that is specifically aligned to strategy. I observed some clear examples of culture change for change’s sake – without any linkage to performance or the strategy, proving to be a costly exercise.

The intended performance could be direct - as in increase of revenue, restructuring for global growth, reduction of costs, levels of efficiency and so on, or it could be indirect as in complying with standards, attracting particular kinds of recruits, changing the nature of the organisation to position for future growth, etc.

Performance is an area I observed in Phase 3 which is often bypassed when launching a culture transformation program. This ultimately puts at risk the buy-in, success and longevity of the campaign. While performance discussions were common in some of the Phase 3 implementations when raising the initial funding for the culture program,
they were then observed to take a ‘back seat’. Often unquestioned assumptions were
made about the positive and/or negative effects culture had on performance and the
benefits of changing the culture to solve problems that may be more strategic in
nature. These, usually unspoken, assumptions can lead to ungrounded, insular and
internally focused culture programs.

In many change programs where technology or processes are being implemented, it is
standard practice to document a Business Case for Board approval that identifies a
direct link to bottom-line benefits. In culture programs, however, there is no easy or
direct link. Business Cases for culture change are much more difficult to document and
even more difficult to deliver against. Hence, in a number of cases I monitored, there
was no detailed culture change Business Case with clear outcomes and performance
indicators against which to monitor and track. The thinking behind the decision making
can be almost magical in quality, idealistic and extremely hopeful of a happy, although
ill or non-defined, ending.

As a result, often there was a general Business Case with some broad goals such as
‘improve the agility of the organisation’, ‘prepare for merger activity’, ‘ultimately deliver
an improved performance’; but it is difficult to take it to more measurable outcomes. By
the time a leadership team is ready to embark on a culture change program, the
Business Case has frequently taken a metaphorical ‘back seat’. Without this question
being addressed at length, people can launch into a vision of what it will look like that
reflects their personal thinking, their own biases, need or fears which may well be at
odds with the desired organisational outcome. Even when an organisational outcome
is identified it will often simply be a solution to a problem currently presenting which
may be symptomatic of a deeper or more critical, change requirement.

From a theoretical viewpoint, in spending time establishing the ‘to-be’ culture and
analysing the ‘as-is’ culture, I found a useful tension could be created between the
current reality and the vision and the energy needed to initiate the change. In The
Dance of Change (1999), Fritz comments in his study of structural dynamics, “I can’t
say this strongly enough. This principle of structural tension – knowing what we want
to create and knowing where we are in relationship to our goals – is the most powerful
force an organization can have” (p.30).
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Essentially the principle is that when there is clarity about the vision and the current reality has been assessed, a structural tension between how things are and how we want them to be can be created. This tension moves towards resolution, ideally by achieving the desired outcome. More commonly, however, I tended to see leaders relieving the tension by giving up on the vision and settling for ‘almost’ or ‘close enough’. Alternatively, they tended towards pretending the outcome had been achieved. This is the situation in companies which espouse values that do not reflect the actual values or behaviours of the organisation. I believe that in overlooking this vital and ongoing discussion, many change programs fall short of delivering benefits.

9. Managing the ‘AND’

One of the questions the CEOs were asked in the A/NZ CEO & Chairperson Survey (IBM 2002) was “what makes a high performance culture and how do you ensure your organisation is fit for the future?” A theme that emerged was that of agility — values-driven agility, to be more specific. The leaders identified a number of agility and achievement characteristics and qualities essential for a ‘future-fit’ organisation (Chapter 3). There was, however, a risk that such qualities could be trivialised and seen as a fad; they seemed to be over-used words for under-delivered promises. Yet the leaders interviewed did not discuss them as faddish or as giving lip service. They talked of linking performance and reward systems to values and qualities. They talked of the continual difficulty in attempting to lead the change in the behaviours they referred to a number of times as foundational for the organisation’s future.
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Figure 4: 19 – Values-Driven Agility
Source: C. Kirk

The so called ‘dot.com phenomena’ stands as a testament to this new perspective. The dotcoms excelled at many of these agility characteristics described by the leaders (IBM, 2002). The dot coms embraced innovation, risk-taking and flexibility. They were knee-deep in empowered knowledge workers. However many of those e-Business organisations have disappeared from the corporate landscape. What they weren’t good at was the traditional, less interesting business essentials of control, discipline, financial viability, stability and steadiness. To a large extent, many of the dotcoms failed to deliver on their potential. From the A/NZ CEO & Chairperson Survey (IBM, 2002) it was evident that their agility qualities were in no way sufficient - alone. The characteristics must be underpinned by foundational business disciplines which are seemingly the opposite traits.

Fast Company’s assessment of the learning from the ‘dot-bomb’ experience support this finding. They concluded that most successful Internet businesses (for example Toys R Us partnering with Amazon.com, TMP merging with Monstor.com, etc) worked because they were a part of a larger, traditional business. Their conclusion was that in contrast to what the dot-commers believed, the internet worked best with existing systems rather than undercutting them completely (Hammonds, 2004).

From the CEO interviews, much of the foundational operational excellence qualities that the organisations interviewed excelled in (characteristics of stability, discipline, consistency), were almost the opposite qualities of agility. A number of the leaders discussed the need to master some of the agility attributes (of the dotcoms) whilst keeping their strengths of risk management and control. One global Merchant Bank (IBM, 2002) clearly articulated their experience of running a ‘tight-loose’ framework which allows for entrepreneurial risk taking whilst in parallel giving clear rigorous guidelines for risk control (Chapter 3).

The above paradox is a complex and difficult vision to achieve. Some of the characteristics of high performance leaders that emerged from the CEO Survey (IBM, 2002) supported seemingly impossible, opposing behaviours:

- Innovate with discipline
- Take risk and manage the controls
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- Focus externally, scanning for opportunities and threats and deliver internal consistency
- Co-ordinate teamwork with focus on individual performance
- Manage the short-term with the long
- Be flexible and focused

Figure 4: 20 – Values-Driven Agility Underpinned by Stability

Source: C. Kirk

As part of the Action Research, the principle of ‘Managing the AND’ was used continually to shift thinking in groups of executives from either-or solutions to more inclusive design solutions. Simply by inserting the word ‘AND’ into conversations, people started to incorporate more creative, and often innovative, solutions into their thinking. The ‘AND’ concept was used effectively in workshops directed at triggering paradigm-shifting approaches to challenges. Managing and mastering this paradox will be an important aspect of the high-performing culture of the future.

10. A culture diagnostic model explored

Culture measurement is a complex area. With the complexities of attempting to directly link culture and bottom-line performance, there are a number of aspects that need to
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be measured to assess if the whole, emerging system is changing in the right direction.

The most recognised measurement mechanism is the culture diagnostic, deployed in both case studies. In addition, a number of other mechanisms were trialled to track progress in the culture program. Along with standard, project management tracking, feedback loops were established to monitor some of the dominant stories, rumours and myths arising in the system, specific project outcomes that needed to shift and targets that needed to be achieved. Examples are numbers of face-to-face communication cascades, numbers of client wins versus losses, attrition, customer satisfaction, specific behaviour issues arising and so on.

In seeking a tool with a focus on culture in the context of delivering improved business performance, I concluded that the Denison Organisational Culture Survey was best suited for diagnosing an organisation’s performance health, particularly from a holistic performance perspective. The top two quadrants, adaptability (including creating change, customer focus and organisational learning), and mission (including strategic direction and intent, goals and objectives and vision), focus on the external matters of a business. This is something that is rarely explicitly handled within culture diagnostics, yet it is critical for a future-fit organisation and culture.

The external focus is well balanced by the bottom two quadrants, consistency (core values, agreement, co-ordination and integration) and involvement (empowerment, team orientation and capability development). This is one of the few tools that overtly explores alignment of systems and practices as well as the people; the ultimate objective being that people and systems and process and culture need to align to the actual and espoused direction and strategy of the company.

Another critical aspect of high-performing organisations and aligned cultures is the notion of being stable as well as flexible. This was a topic explored by the leaders in the CEO Survey in Research Phase 1. This stability (right side of the tool) is governed by the mission and consistency quadrants with the flexibility (left side) being the domain of adaptability and involvement. Again, I did not find this balanced focus in other diagnostic tools.
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Figure 4: 21 – Denison’s Culture & Performance Model
Source: Denison

As part of the Action Research, I deployed the Denison Diagnostic (DOCS) in an organisation which was completing a major stage of its culture change program. One of the tests was to assess how easy the tool was to use, how much the tool’s information was understood by business people and whether its findings could result in direct action and performance shifts. The diagnostic survey was deployed with the Board, the senior team and samples of management and frontline levels. The test succeeded in showing both the tool’s ability to describe high performance cultures as well as being able to identify obvious ways to remedy problem areas. It was the most logical, pragmatic and sensible framework I have used and is discussed in more detail in the next chapter.

11. In Summary

I began this part of the research expecting it to be a relatively simple task, however I found some gaps between the existent culture frameworks and something that would provide a comprehensive, holistic, performance-directed, culture change focused framework that is integrated with the day to day operations of the business.

The Culture Shaper Framework was my answer to this gap and I believed it now to be ready for testing. My plan was to use the Culture Shaper Framework to implement two
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Culture change programs, supported by some of the other models discussed in this chapter, namely I-We-It, Cynefin, Denison’s DOCs and ‘Managing the AND’.

Figure 4: The Culture Shaper Framework – including Governance

Source: IBM, adapted by C. Kirk

Relating the Culture Shaper Framework to the needs of CEOs to create future-fit organisations indicated that the framework could deliver the performance outcomes the CEOs wanted. Their concerns noted in Chapter 3 covered the necessity of connection to the larger environment and external influences; the alignment and integration of the hard and soft shapers that provide consistency and controls; the importance of including culture as the foundation of performance; the necessity of addressing behaviours and business acumen at all levels; and the importance of ensuring both long and short-term perspectives on performance. Ultimately their view returned to the bigger picture and the future of business in society … purpose and environment. I was satisfied that the Culture Shaper Framework was grounded in real concerns and would provide a robust approach to culture change from the CEO point of view.

As a result of developing and refining the Culture Shaper Framework, I am confident that in testing it within culture change implementations, the Framework will add value in building and delivering robust, adaptive, flexible and complex solutions – relevant for organisational culture change. This is the realm I explore in Chapters 5 and 6 – moving the study into applied Action Research – testing the models and theories in action.
Chapter 5 – The application of culture change

0. Introduction

The final research phase aimed to incorporate earlier research findings and models and frameworks into culture change programs within business. This emphasised an Action Research methodology where the focus was on refining the theory by testing it in the field. I did this through the development and implementation of nine large-scale culture change programs – two of them whole-enterprise transformations – across businesses in retailing, transport, engineering, food processing and government services. Due to the program confidentiality agreements in place, I will not refer to any one specifically by name. Although I will draw on experience of all nine projects, I will focus on two specific projects, one in the private and one in the public sector.

Having immersed myself in culture change theory and deepened my thinking in conducting a culture/change survey among business leaders (Phase 1) and researching, refining and further developing a culture framework (Phase 2), it was time to test the thinking in practice. Would the framework and associated models add value to culture change projects? Would the Framework help to navigate the complexities of culture change and facilitate more successful implementation of culture change?

Chapters 5 and 6 form the core of the Action Research phase of work. The focus of this chapter is on two specific examples of culture transformation, giving a snapshot of culture interventions and subsequent reflection along with some insights into the Action Research work conducted and the relationship of those interventions to the Culture Shaper Framework. Chapter 6 then looks at the results of this Action Research phase, again through the lens of the Culture Shaper Framework, reviewing the use of the Framework and making refinements where it adds to the likelihood of success in culture change implementation.

1. A snapshot of implementing the change – Conducting the detailed implementation stage

The two culture projects, both enterprise-wide culture transformations, involved change in all aspects of the organisation – culture, business model, technology, market and political forces, organisational structure, HR practices and behaviours, and so on. In both projects, the Action Research itself was a continuous cycle of implementation,
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reflection and replanning as theory was tested in practice. The research moved into assessing the outcomes and adjusting the method to build on successes, address failures or shortcomings and delete activity that became superfluous as the culture changed. It also established the relevance of the theory to the more organic nature of culture change, assessed the practical application of culture change and also the impact on performance. The interventions described are just a small selection of activities that took place within the culture programs.

In order to give structure to the two examples, a ‘program route map’ is applied to the reporting of the findings, following five logical stages of a project implementation – Assess, Design, Build, Implement, Sustain – a standard approach to implementing large-scale process re-engineering and technology projects. Unlike standard technology and process implementations, however, within the culture rollouts many of these activities take place in parallel, in a different order, at different times or in response to unforeseen circumstances.

This route map proved to be a useful method by which to organise and describe both the Action Research and the main activities required from the start to the end of each implementation program. What changed from program to program was not the core project stages or overarching project approach, but the actual interventions themselves, the initiatives that required priority, the skills that needed to be developed, the cultural roadblocks, the shapers that had the largest gaps and so on.

The project lifecycle model reflects the phases of Action learning methodology with the Assess, Design and Build Project Stages all broadly fitting the ‘Plan’ Stage in Action Research; the Implement Project Stage broadly fitting the ‘Act’ Phase; and the Sustain Project Stage broadly equating to the ‘Evaluate and Reflect’ phases. In designing the overarching research approach, it was useful to build the complete Action Research phases inside the project stages.

Each project stage took from three to five months and the Action Research cycle was repeated a number of times within each stage. The Assess Stage was planned, enacted, reflected on, monitored, reflected on again, evaluated, reflected on again and then activity shifted into the Design Stage. Again, the Design Stage was planned, enacted, reflected on, monitored, reflected on, evaluated, reflected on before moving
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on to the Build Stage. And so on. At the end of each project stage, an extensive reflection period was conducted, some of which is documented in this chapter.

In each stage, examples of two organisations are discussed. At the end of each project stage, a summary of sample Action Research reflections is given before moving on to discuss the subsequent stage.

2. The Assess Stage

The focus of the Assess Stage, from a culture implementation perspective, was (among other aspects) to understand the vision and strategy of the organisation, the case for change, the details of the existing culture, the future desired culture and how large the gap was. This is where detailed diagnosis usually takes place; and for one organisation, a company-wide, culture diagnostic census was carried out.

Of the two culture programs selected, both began with a period of immersion in the culture, strategy and business model of the two organisations. In the two implementations, information gathering was one of the first activities of the Assess Stage and was conducted both formally through surveys, interviews and desktop reviews of previous culture-relevant material and informally, through observation and discussion. One of the early reflections arising from the Action Research was just how immediate and effective informal data gathering proved to be. Through this ‘clinical’ research, (as Schein (2010) describes it), of interviews and discussions, it was observed that trust was built, working relationships were established and the change process had begun, much earlier than planned.

From an Action Research viewpoint, the ‘Act phase’ was taking place immediately. Each activity that had any touch-point with people and systems in the organisation had the potential to effect change through communication and facilitation of insight-triggering discussions as well as providing an opportunity for reflection and correction to kick off a new Action Research cycle.
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2.1. Organisation 1 – Assess Stage interventions example
Early and genuine engagement

2.1.1. CEO briefing: Understanding the vision ... from bureaucracy to commercial competitor

In the first organisation, the information about the case for change came directly from the CEO who had a clear and demanding brief from the Board (representing the government of the day) for the transformation of the company: To shift the whole business from a bureaucratic, budget-driven model to a commercially competitive, profit and loss-driven business.

Few people in the ‘as-is’ business understood what that meant in practice, so it was the CEO’s task to get the vision across to the staff in ways that would empower them to behave differently without losing their engagement. As the most challenging element of the change had been identified as shifting the minds and hearts of the workforce, the CEO saw the use of a structured culture change program as being a steadying and focusing influence on the change process. If the mindsets of the employees didn’t change, nothing would change.

Prior to my involvement, the CEO had engaged the staff in an organisation-wide values discussion through which they clearly communicated that they were not willing to change if it meant the values they admired about the organisation were to change. In developing the ‘as-is’/’to-be’ Journey Map, this was a serious roadblock as the values the staff prioritised were not likely to achieve the clearly articulated outcome as set by the Board and the CEO. However, the level of employee commitment to the values was such that to counter those values would undermine the success of the project.

This initiated an intense Action Research and reflection period, involving a number of discussions with the CEO, the senior team, focus groups and interviews with specific ‘values champions’ and so on. After a number of iterations of action and reflection, it was decided that the prevailing values needed to remain intact, while helping people translate them to the changing structure and strategy of the organisation. This short Action Research phase resulted in a significant realisation of a principle that would be tested a number of times, that of the value of building on what already was strong in a culture; in this case, the value around service. The art in this stage would be to marry
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the seemingly (from the staff’s point of view) contrary values of service and profit; to resolve the paradox by including both worldviews in the solution (‘managing the AND’).

2.1.2. One-day management conferences – managers at all levels

Once the ‘as-is’ elements needing to be retained within the ‘to-be’ culture were established, senior management was engaged in an increasingly detailed inquiry relating to obstacles, risks and opportunities in shifting the organisation. One of the next interventions was to work with managers at all levels simultaneously or in quick succession – not the normal practice in this organisation. Traditionally, senior management had worked in a hierarchical manner developing a plan that was then rolled out to levels below as a strategy to be implemented.

It had been observed on previous projects that in doing so, senior management often exempted themselves from changing their own behaviours, even including elements in the plan that specifically protected the status quo in areas for which they were responsible. In doing so, they lost the opportunity to engage their staff and unlock their creative problem-solving capabilities in the process. In involving managers at all levels in this new way, a positive signal of change was communicated to the culture. Things were shifting at a deep and visible level.

In this instance, we sought to pre-empt the active resistance and potential disengagement of managers by gathering them in groups for one to two day change conferences. The first of these was undertaken with the most influential group of General Managers, known to be key in deciding the success or failure of the proposed changes. As engagement was a critical focus of the culture change program, a potentially risky communication approach was taken.

Rather than trying to convince the senior managers that ‘this was the right way’ and communicate traditionally with the CEO informing them of the direction and asking them to align with it (the norm for this organisation), the culture was given a voice by using dramatisations to speak on behalf of the organisation and culture. Professional organisational dramatists created scripts based on face-to-face interviews with a cross-section of staff, which included the myths, symbols, language, ‘in jokes’ and the day-to-day reality of the working day ensuring that the dramatisation resonated deeply with the audience.
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The scenarios reflected to the managers the strengths and weaknesses of their present culture and provided a glimpse of the future vision being congruent with their highly prized value of ‘service’. Using the language, situations and process that the business would understand as their own posed a risk. They might have been offended by having their work represented in this way. To the contrary, the audience found it to be both entertaining and amusing and they willingly took the opportunity to speak openly of their experience of the frustrations of the ‘as-is’ culture and the benefits presented in the ‘to-be’ culture. The risk paid off. They were on board and engaged.

The Action Research process was valuable during this intervention. Data capture had been organised for every workshop. At the end of each session, the team, including the CEO, would analyse what worked and what did not with observations and recommendations for the next day’s session being documented and shared with the participants. Feedback, observation and transparency was reinforcing the initial approach to emphasise bringing the communication of the vision alive – demonstrating the change so that people could directly and personally relate to it.

An example of a spontaneous emergent ‘win’ from the reflection process was when a number of attendees in the first leadership group voluntarily used the script of the role plays to present the idea of the change to the next level of management with themselves playing the characters in the dramatisation. This had an even more impactful outcome in engaging and shifting the audience.

It was observed that the more ‘real’ the communication of the vision, the more immediately and effectively it engaged people in wanting it to happen. The process of engagement continued through successive layers of management, cascading the vision and engaging all levels in the strategy, the case for change, training them in change management and developing project plans to begin the process of change.

This engagement occurred in the middle of the Assess Stage, even before a design for the transformation had been created. Managers were given an experience of their power to suggest changes, to demonstrate to themselves and others that change was possible and not threatening (and in fact would be actively supported) and to provide them with some of the leadership and communication skills and tools to represent the
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change with their staff. Essentially it was demonstrated that the culture was already in the process of change.

This early engagement approach was a deliberate strategy as it had been observed at the start of the project that the culture was highly compliant. People would follow instructions without necessarily taking any responsibility for the outcome. As a result of this, interventions were designed within the Assess Stage that would engage (rather than tell) the managers in making changes whilst role modelling and signalling what would be required in the future culture. From this point onwards, a conscious effort was made to consistently design interventions that would reinforce the need for the managers to lead (rather than wait for directives from above) and ensure they were empowered and rewarded to create the culture of the future.

2.1.3. CEO study – engaging the audience in the outside world

As part of the engagement process, an important element was in educating the managers in change methodology, involving them in building the case for change and bringing their attention to the external environment – the changing business practices outside of their company. To help with this, the findings of the 2006 IBM CEO Study (IBM, 2006), a study in which the CEO had participated, was communicated to the senior managers. It provided an understanding of their organisation’s strengths and weaknesses as it compared with hundreds of other organisations and encouraged the leaders to develop a more external perspective which later proved invaluable in identifying commercially sound business and product innovation.

The IBM CEO Study findings were also communicated to the Board to ensure they knew they were embarking on a long process of necessary change and that they were not alone in recognising that the business had to change in order to remain viable. The Board was able to elaborate on their vision of what that meant for the company and brainstorm some of the external forces – economic and political – that prevailed and some of the challenges they perceived – geophysical, political, regularity and governance. This information was important as it placed some parameters around the change work and governed some of the timing of the subsequent interventions.
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2.1.4. Company all-staff polls

In discussion with the CEO and the Senior Team in the early diagnosis work, the problem of communicating change messages in an organisation with a powerful and active union surfaced. There was a history of caution in delivering change messages with transparency to engender trust and pre-empt negative reaction.

The CEO carried out a complex Enterprise Agreement process which, although lengthy and time-consuming, was conducted and concluded successfully using a highly collaborative and inclusive approach. Agreement was reached with minimal conflict and largely positive and constructive negotiation. Useful, up-to-date information, feedback and goodwill were gathered this way, with champions emerging throughout the process. In reflecting on the method of negotiation, the team realised this was a process that was already effective in the organisation, had delivered practical commercial outcomes and was carried out in a way that best represented the ‘to-be’ culture. The collaborative approach to Enterprise Agreement negotiations continued through the communication and planning of the intended changes and built on the successful conclusion of the Agreement. It became another demonstration of what the vision would look like in action.

From this set of reflections, a number of collaborative interventions were developed, directed at reinforcing what was already working in the organisation, modelling them on the Enterprise Agreement process, building all-staff polls which canvassed staff opinion on the direction and strategy, the change process itself, growth opportunities and operational innovation. These interventions demonstrated and reinforced the principle that a high degree of consultation was a hallmark of the ‘to-be’ culture and again, showed how it would work in practice. These interventions were monitored and adjusted throughout the change program, paving the way for one of the most successful collaborative, cross-silo interventions, CEO Think Tanks, which would be implemented by the CEO at a later stage of the program. The interventions also established an expectation of, and familiarity with, two-way feedback communication loops within the organisation that proved to facilitate rapid assimilation of new information and adaptation to change, providing relevant and timely information to all staff and apprising management of the response to communications immediately.
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2. 2. Organisation 2 – Assess Stage interventions example

Early up-front investment

The Assess Stage of the second transformation project differed in that much of the overall plan had been developed by myself and a colleague prior to winning the culture change work. The plan, in fact, was the basis on which the work was won. The culture change proposal put forward was based on background research and only a few general discussions and intuitive insights into how the company was currently operating and some information about what they wanted in the future. This snapshot became the skeleton for the design of a full and comprehensive two-year, culture change program.

2.2.1. Proposal Design – response and delivery

It is unusual to design such a detailed culture change plan prior to being engaged. However it seemed apparent that there was little clarity on what the target performance of the culture change needed to be. This company had no history of conducting change on any significant scale and did not seem to have a clear idea about what was wanted … only that they knew things had to change. At that point, their vision was more remedial than strategic, addressing a 20-year history of poor people management and some stagnation of performance. This insight brought focus on designing the interventions to provide clarity in performance and outcomes and the building of a compelling vision to engage the leadership and staff.

As a result of these observations, the Action Research process commenced before the start of the transformation project. The deeper the understanding of the context, the change history, the performance required and the culture challenges we could expect, the more the proposal response could be targeted, informed and ready for action. This process was carried out by an Action Research team of two, developing a set of assumptions about the organisation, the culture and the change history. Through observation, informal interviews and data gathering, an outline of the culture plan was built, together with the reasoning behind it, and the challenges predicted through risk analysis. The assumptions were reflected on and adjusted until ready for discussion with the proposal committee.

This was a resource and time-rich process; however it resulted in immediate success, signup and project kick off. The proposal review was one of intense joint brainstorming
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and planning rather than one of selling to a client. It was evident to the client that there had been significant and thorough exploration of many of the issues. As a result, the first formal client meeting became one more oriented towards program kickoff than one of selling our ideas and capability. The discussion about the more difficult areas of performance, vision and how to effectively commence the work were undertaken before we had even been engaged. I had not previously experienced such intense planning prior to beginning a culture change program and prior to having full access to the organisation.

At the completion of this proposal period, we again returned to the Action Research process to reflect on what had been observed, learned or needed to be adjusted in order to move onto planning the actual work. In retrospect, much of the early thinking was used to map out the next two stages of work (Assess and Design). There was significantly earlier engagement of senior stakeholders and subsequent delivery of results and wins almost within the first month of the program. An emergent benefit was that the length of the Assess Stage was reduced substantially, saving the organisation considerable money. The pre-work set a precedent of successful initiation of engagement that has been repeated in several projects since.

2.2.2. Data gathering

As part of the Action Research reflection from the first project, it was evident how revealing, and therefore important, the formal data gathering had been; hence I was alert to its importance. As a result, this new program was designed to begin with an intensive week of face-to-face interviewing as a pivotal part of the data gathering process. This process held the most useful learning for the Action Research team. In talking directly with 30-plus senior executives, the conversations inadvertently started the culture change process from the moment of the interview. At various later stages of the transformation, it was obvious that the interviewees had not only begun the change process by talking openly about it but also that the change team had begun to build a trusting relationship with them. During the interviews, they were beginning to think about and identify the ‘elephants’, the hidden culture drivers in the stories they told about the organisation. The interviews also triggered many new conversations at the executive level.
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The insights from the interviews were invaluable at different stages of the implementation, not only to validate and adjust the program, but also to go back and use this material to test thinking and make changes as new cultural qualities emerged as a result of the change process. The participants also commented that it was important for them, as it was the first time they had been asked for their opinion and they were pleased that the Board was committed to knowing what was going on and to addressing some issues.

On reflection, this was the first large engagement intervention of the project, one that I had not expected to be an actual ‘intervention’. It is now built as standard into the Assess Stage of culture change projects I lead.

During the Assess Stage, a number of more formal data gathering exercises were carried out, including an organisation-wide culture survey which gave all staff a voice in the ‘as-is’ and ‘to-be’ culture vision. The results were used as discussion-starters, the senior team first being briefed and supported with communication tools. This exercise is often a mainstay of culture implementations and, traditionally, one over which a change team spend a lot of time and energy. In this case, it was considered useful to identify the underlying patterns, the points of leverage and the way communicating the results could facilitate change in the predominant mindset of the organisation. Many tools and interventions were designed from these insights, the most important being a ‘conversation facilitation guide’ for managers to use to engage their staff in local change effort.

2.3. Reflections from the Assess Stage

The Action Research produced dozens of opportunities to review, reflect and refine and, as a culture team, we had developed a daily discipline of doing so. As a result, hundreds of reflections were observed, discussed and included in the implementation of both projects within each project stage. For the purpose of this thesis, I have documented only a handful to give a sense of the insights gathered.

- As demonstrated by the positive results from early investment in the Assess Stage of both projects, it was clear that taking the time and paying close attention to a thorough examination of the current culture pays long-term dividends throughout the change process. From a ‘task’ point of view, the information that is gathered
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and the clear definition of the ‘as-is’ and ‘to-be’ cultures provides useful data to build a convincing case for change and reveals the most essential, important or urgent change benefits required. From a ‘people’ point of view, the discussion and analysis carried out by client personnel, in partnership with external consultants, engages an influential cadre of change stakeholders, providing the first line of change champions in the business. It also provides the client executives with a communication package which they can use to engage their staff in the need for change, flag the risks and opportunities and reassure them as to benefits intended.

- The data gathering dialogues provided a foundation for developing trusting and open communication between the client and the consultants early in the project and offered the opportunity to demonstrate new behaviours that paved the way to reinforce the new target culture of collaboration, transparency and so on. The more we observed of this early stage, the more we realised we were initiating the culture change through these discussions with key people and, in the process, striving to open their minds to possibilities, giving them the language of the future and helping them orient themselves as role models for the future. As a result, we treated this stage less as a preparatory stage and more as a beginning of the change process, carrying this approach forward into subsequent culture change programs. It was added to the Culture Shaper Framework as an underlying principle.

- The Assess period also identified key qualities of the culture that could be leveraged or avoided (for example, harnessing the ‘service’ value in the first organisation). Early knowledge of aspects that had the potential to disable or leverage the change was crucial to designing an effective culture change program which does not waste time by inviting unnecessary resistance or rejecting opportunities that reside in the ‘as-is’ culture.

- One important insight was that drilling down into the data revealed how many serious risks could be unearthed during the change process. The intensive Action Research and reflection period resulted in the inclusion of rigorous risk oversight and management processes into the culture change governance, focusing on a formal process of risk identification, communication and mitigation. This insight shifted the focus for the next few stages to ensure culture governance and
business risk management were central to the program. By including oversight and control, more legitimacy was given to the culture program.

- A breakthrough insight was that in having so clearly identified the Culture Shapers that make culture change work in both the short and long term, they could be introduced more directly and earlier in the process than had previously been the case; for instance enabling an end-to-end culture program to be developed early in the Assess Stage. This was made possible by deploying the Culture Shaper Framework in detail. Each set of interview questions, area of analysis and desktop review was undertaken through the lens of each of the shapers. Observations were made and discussed using the Culture Framework as the organising structure, Action Research and reflections were made with the framework in mind.

The dedicated, up-front time resulted in program designs that were 80% ‘right’ and in place from the third week of the two-year program that essentially stayed intact for the whole journey. The inclusion of multiple perspectives of management and staff created momentum around the case for change. Providing a foundation for a case for change based on both internal and external realities which was both top-down and bottom-up, increased engagement and reduced resistance in the early days of the process.
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Figure 5: 23 – Sample Assess Stage Culture Interventions mapped against the Shaper Framework
Source: C. Kirk

3. The Design Stage

3.1. Organisation 1 – Design Stage interventions example

The focus of this stage of the culture change program is to design the end-to-end program using the Assess data to build a robust plan for two-plus years. The Culture Shaper Framework was used to analyse each culture shaper area in order to design specific, targeted culture interventions and also to build on relevant shapers already in place or in the process of implementation. The detailed project plan was organised broadly by shaper, (Skills and Capability, Communications and Engagement interventions, HR Practice interventions and so on).

3.1.1. The power of the Change Lead and the plan

In the first implementation, in addition to the data gathering from the Assess Stage, a number of ‘From-To’ workshops and interviews with the CEO and senior leadership team were held to identify the extent of the gap between the ‘as-is’ and the ‘to-be’ culture. This engaged them early in the design process and managed expectations around the task ahead. The result was a culture change roadmap and strategy which included an engagement plan and a communications plan as well as some specific culture interventions for groups identified as being the most affected by the structural change.

Observation reinforced the assessment of the compliant nature of the culture and of the leadership team, an obstacle that required concerted effort in leadership development to overcome. Further reflection revealed a high level of reluctance to speak up publicly, to step out of the unspoken group agreements or to challenge the thinking of authority figures whilst particular spokespersons were observed to regularly speak on behalf of the group. At this point, some specific behavioural interventions were implemented which were repeated and reinforced in order to break the old pattern and utilise the influencing power of the spokespersons while supporting the leadership team in stretching themselves with new behaviours.
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3.1.2. Change Leadership
One of the situations that had a larger impact than had been anticipated was the selection of an internal Change Lead. This reinforced the need for care in the selection criteria and to argue with conviction for the best-suited person, even if it was an inconvenient choice. In selecting the best person for the task, the informal chain of authority was upset, resulting in some negative behaviours by other senior managers. Once we had reflected on and monitored the resistance, we realised what had happened, and used the insight into how the culture worked so we could continuously break up the old patterns and establish new behaviours – in this case, recognition of talent regardless of traditional ranking. Other talented leaders were enrolled to establish the principle more widely throughout the organisation. The experience of taking a stand for the right Change Lead and working with the resulting resistance became a good model to take into the next culture program and is now a standard practice on other similar sized projects.

3.1.3. Culture Change Plan
After a short period of working with the new Change Lead and beginning the transfer of change and culture knowledge, the Lead and consultant group developed a detailed Culture Change Plan based on the new organisational structure. This joint development of the plan ensured an early knowledge transfer process. This rapid knowledge transfer approach became a critical part of the ongoing culture change being sustained, enabling early external consultant withdrawal from the project whilst leaving a strong, credible and knowledgeable internal lead driving the change.

The detailed design of the change plan provided the backbone of the transformation. The plan was continuously updated and refined based on our Action Research findings, however, the core principles remained in place over the next two years. Again, it reinforced the importance of this Design Stage in building a robust culture change strategy, change plan, communications strategy, communications plan and so on. This observation was assessed against previous experience in other organisations in which the tendency to reject the planning as a waste of resources and move straight into action had undermined the success of the change projects.

In this organisation’s case, one of its strengths was its experience in working with high levels of governance and accountability due to its public service role and its
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involvement in long-term, scientific research. Again, our reflections proved invaluable as we could harness the compliant and disciplined nature of the culture to actually execute the plan. The compliance was observed through stories and language: people communicating on behalf of the group as ‘we’, rarely ‘I’; the predominance of ‘group think’ in workshops; the reticence to speak up or challenge authority and so on. The willingness of most levels of the organisation to take direction and to do what they were asked and expect to be monitored meant that there was discipline to execute a plan in every detail.

The plan and its rigour proved to be one key to the success of the transformation. Once people were on board with the necessity for change and had begun to take up the new behaviours of empowerment and responsibility, they were well equipped to ‘make it happen’. Within four months, the leadership and management teams were creating their own versions of the plan, conducting workshops with their own direct report teams and were cascading the actions to each level of the hierarchy. The culture plan was developing a momentum of its own.

3.2. Organisation 2 – Design Stage interventions example agile, targeted and purpose-built engagement

In the second organisation, much of the design process had essentially been carried out earlier in the Proposal (pre-Assess) Stage. However the culture plan’s validity was assessed weekly at Action Research and reflection sessions. As every week progressed, increasing amounts of data, observation and feedback informed the review and adjustments were made to the design of either the interventions or the schedule of the interventions as needed.

3.2.1. Design the program

The plan developed for the Proposal Stage remained a blueprint for the work ultimately carried out. This was a valuable reinforcement of the Culture Shaper Framework’s value and in trusting the value of experience and observation capabilities, intuition, wisdom, experience and of the process of Action Research reflection. This enabled a culture transformation map to be designed up-front that identified the target culture, the gaps, the challenges and risks, the key behaviour shifts and shapers to deploy and the culture plan. It was the continual and disciplined commitment to the Action
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Research process that enabled this plan to remain current and agile, able to be adjusted within hours of a critical observation.

Figure 5: 24 – Sample Culture program Initiatives

Source: C. Kirk

The plan consisted of a visual component and a detailed project plan. The visual version was used to brief leaders and managers and to communicate with the workforce. It was easy to understand, and having observed early in the program that the organisation responded well to visual (rather than written) information, the change plan was designed to continue this mode of communication. In introducing the plan as a menu (above), each menu item was supported with a one-pager outlining the purpose, description and benefits of the activity, a high level plan for implementation and relevant parties for inclusion in delivery.

Given the significant lack of previous change experience in the organisation, this proved effective in laying out the ‘how’ of the activity that could be easily implemented. Change started before there was much time to organise resistance, although each management level was given prior warning about change activity so that they could contribute or ascertain what it meant for their teams. Voluntary change leaders began to emerge to champion components of the plan and specific groups felt an ownership
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of aspects of the culture plan 'menu'. Many people were able to take up parts of the plan and begin the implementation without special training or oversight.

3.2.2. Journey Map

One of the risks of this transformation, identified within the first few weeks of the program kick off, lay in the fact that the case for change was not considered urgent. The change was, however, essential to the long-term health of the business. As a result, a significant part of the design process included the development of a genuine and compelling case for change, achieved in the form of an illustrated Journey Map. The initial information for the map came from a visioning meeting with the CEO and some Board members; in hindsight, an effective means of executive alignment as well as information gathering. The draft map was used in successive workshops with the next four levels of senior and middle management to facilitate robust conversations about the direction of the business and to personalise the culture shift and drive engagement.

One intervention which arose from the reflection sessions was that the subsequent workshop attendees were asked to discuss the map and highlight any areas that needed further elucidation, change or additional information. This was particularly useful in engaging that level of leadership and in bringing the unacknowledged ‘elephants’ into open discussion and in demonstrating a new openness in the organisation. The exercise allowed adaptation of the map to include perspectives that were more relevant at their level of the organisation. This made the map more generally acceptable to the larger workforce. Using the draft map in each workshop and allowing them to add their own community stories and metaphors, resulted in buy-in that was significantly higher. Surprisingly, what emerged was a number of champions, inspired by the change story, stepping forward to volunteer their active support for the program inspired by the change story.

3.2.3. Top 40 Senior Leadership two-day workshop

Part of the feedback received in the Assess Stage was that senior leadership were not engaged with the change agenda, two-way communication was almost non-existent
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and there was a lack of transparency between the top and next layer of the organisation. As a result of this information, a two-day senior leadership workshop was prioritised. This proved to be pivotal for engagement, both in the issues facing the organisation and in determining the way forward.

The workshop situation offered an opportunity to model both flexibility and openness immediately. Equally, it was evident that if we were not willing to address the issue immediately there was a risk of losing both engagement and credibility. A decision was made on the spot to use the workshop as an intervention (as outlined in Chapter 2 – Grounded Theory) and the executive group confronted the Board with their questions and concerns and received honest and forthright answers … even about some Board members’ reservations about the changes envisaged.

This Q&A session was followed up with an impromptu facilitated straw poll on key issues which provided still more information and a deepening of trust among the executive team. The effect on the wider leadership team was galvanising. They experienced a significant change in cultural norms, participated in a demonstration by the acknowledged authority figures about how things were to be in the future and, most importantly, they experienced a positive and uplifting, rather than punitive, outcome. The event launched a flurry of change activity, the story spreading through the management levels as a signal that the vision of change was genuine and would be implemented.

3.2.4. Pattern interrupts in the culture

There was a point in the Design Stage at which the building of significant resistance was observed. A pattern interrupt was needed, with overt and counter-cultural decisions and role modelling of new behaviours required. From earlier experience in the first program, we knew these decisions needed to be public and attention getting to act as early warning signals to the culture that things are about to change … significantly.

After conducting the company-wide culture diagnostic, data was available that highlighted the level of resistance likely to be encountered. This was supported by ample observable evidence of both overt and covert pushback. As a result, the culture-design map and change plan was overlaid with numerous initiatives that drove pattern
interrupts and the development of the leadership’s ability to identify passive and active resistance. These ‘interrupt’ initiatives were designed to show the managers that the world was changing. Examples included a coaching program to start addressing old culture behaviours and practices and reinforcing new ways of operating. Another example was to overtly reward target culture behaviours and coach leaders to enforce consequences where the target culture was actively ignored and old ways persisted which sent strong messages that things had changed.

For a period of time, the reflection sessions incorporated reviewing and refining these counter-cultural processes and messages to assess which were having an impact and which were not. This activity continued long after leadership of the program was handed over to the in-house team.

### 3.3. Reflections from the Design Stage

- Reflection on this stage revealed the effectiveness of designing interventions that build on strengths or use strengths to shift non-productive behaviours. Interventions proved both simpler in design, easier in implementation and more effective in outcome. The Journey Map is a case in point. It includes the history of the organisation, its imagined future and can include the spirit that will enable it to deal with change. To illustrate, a client company which characterised itself as staid, risk averse and seemingly impervious to change revealed, through the Journey Map process, a history of having consistently been the first business in Australia to implement industry innovations. This pioneer spirit was depicted on their Journey Map as an Australian stockman on a horse placed at the centre of a radical change project. The stockman represented the essential pioneer spirit of the organisation … an ability to take the lead into new territory and, most importantly, make it work.

- Although this Design Stage, at first glance, represents a preparation stage, it is also the beginning of organisation-wide engagement with the idea of change, providing the business with an opportunity to participate through their responses and their comments. In effect, asking the questions, ‘how is it now?’ ‘how should it be?’, is a change in itself. The subsequent conversations, debates, reactions and objections provide further information and begin a new story … albeit one which is yet to unfold.
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- This process of organisational Action Research and reflection promotes a climate of inquiry, revelations of belief and imagination and assessment that is, in itself, engaging and revitalising. It is the point in time in which hopes and dreams of ‘how it could be’ arise and a fresh enthusiasm for the potential of the organisation is engendered. People start having different kinds of conversations, begin to question systems and processes, envisage new ways of doing things and involve their teams in making some of the changes they’ve wanted to make for a long time. An energy for change begins to gather force.

- It was observed that, at this stage, people begin to make choices about staying or leaving the company, even those for whom the changes are far off will begin to think about their place in the future of the business.

- In reaching into the whole organisation via the culture diagnostic, (prior to the actual change implementation), a message has been sent into the culture – wide and deep. It was observed that this process started to ‘ruffle the culture’s feathers’ and some remarkable acts of resistance arose, albeit in covert forms that attempted to marginalise the change process.

In the second case study, some resistance focused around who was to be the Culture Lead. Initially a person was appointed to the role that was unable to have the strong conversations and debates that needed to occur in order to shift the culture. Several other attempts were made by the organisation to find the right person. However in the end I held my ground to nominate the person who was most committed to the change and had the clarity of thinking to stand against opposition even though it meant taking that person from their current role. The learning again reinforced the need to select the right person even if it results in substantial pushback and requires counter-cultural conviction to insist on the right person.

- I believed that identifying the ‘elephants’ would uncover information about the culture that would be helpful and provide a group experience that would engage them in the culture change. At the time, I did not appreciate just how important the process was in designing interventions that would specifically address the unspoken messages of the culture. Working with the idea that ‘the shadow of the
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leader (or leadership) casts long,’ the story of the executive group ‘standing up to the Board’ was told to successive layers of management when scepticism arose. The story consistently changed the attitudes of the listeners and opened their minds to contributing constructively to the emerging culture story.

- This Design Stage of the process provides the opportunity to do some critical expectation setting and to put in place viable measures and checkpoints. We learned quickly that it was imperative to dispel the ‘nirvana phenomena’; the ideology that ‘this will make everything right; ‘this will fix things’. Each person had their own idea of what needed to change, sometimes for the benefit of the organisation or the customers but sometimes for their own benefit. After trial and error, we introduced a process where people were encouraged to consistently tell the truth about what had to happen, what it would mean, how it must be measured in terms of benefit to the organisation – a process that ultimately could be tracked. The importance of this attitude became obvious in both projects. In the first, the strong attachment to a set of humanistic values was used to challenge performance goals and, in the second, the sense of injustice about the past unleashed a level of idealism which was not going to be met by the culture shift, at least not in the short term. If we hadn’t brought that out for discussion early on, it would have resulted in disappointment and a possible ‘stop the program’ movement.

- A breakthrough was achieved when it was realised that it was both imperative and effective to address the deeper and more hidden aspects of culture in ways that didn’t require some kind of catharsis. I started to appreciate the Culture Framework’s shapers themselves could be used to both reveal the undercurrents and, in some cases, resolve them. In this stage, I observed the effect of applying insight and understanding directly to the problems, designing interventions (both simple and complex) in response to emergent phenomena and establishing the change team’s relationship with the organisation as one of facilitation and action learning rather than control and oversight.
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4. The Build Stage

4.1. Organisation 1 – Build Stage interventions example

The Build Stage is traditionally used in Technology and Process Re-engineering Programs for developing what, in this case, was designed in the previous stage. In the case of the organic and agile culture change program, some complex interventions were developed in this stage – including building the ‘Culture, Leadership and Change’ workshop programs, the Communications Strategy and so on. Many smaller and
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impromptu interventions were being developed in each stage of the program to be implemented ‘on demand’ as the situation required.

4.1.1. Developing Change Leaders

The Build Stage in the first organisation was focused on the development of the senior leadership team as the highly engaged sponsors of the program. Prior to the restructure, two-day workshops with the senior team were run to build a strong and change-knowledgeable leadership for the change process. Through observation and feedback, it was evident that the senior leadership team needed to feel more confident about the future, about the planned changes and about their ability to help others make the transition; hence the core of the workshops was the personal development of the senior team (working with beliefs, values, assumptions – the underlying aspects of culture). They needed to take much higher levels of responsibility for operational performance and communication of a whole-organisation perspective. They needed to both role model and encourage a brand identity rather than simply oversee administrative function.

After assessment (both formal and informal), it was evident that the group comprised a 50/50 split between what would be called ‘followers’, people content to follow orders to the best of their ability and cause no disturbance, and ‘achievers’, those driven to make things happen, often at a cost to their own comfort levels. The change team was able to utilise the strengths of the ‘achiever’ group while garnering the skills and support of the ‘followers’ to stabilise the change process. Within the team itself, we observed a marked increase in respect for the different skills and attitudes each bought to the management of the business and gradually an increased identification with the success of the business. On reflection, it was the clarity, commitment and authority of the CEO that proved pivotal to the implementation of these changes.

4.1.2. Think Tanks

A second, more informal group of champions was developed through a series of CEO Think Tanks, an innovation introduced by the CEO and detailed in Chapter 2. This was one of the most successful change interventions I have observed.

These Think Tanks influenced the culture in powerful ways. Apart from the problems that were solved, the events sent a message supporting operational innovation,
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support for cross-silo and cross-collaboration, recognition of the levels of intelligence and creativity in all levels of the organisation and the increasing openness of the organisational culture. It also reinforced disciplined innovation as a serious and committed capability for the organisation. As communicators, the Think Tank participants formed a two-way feedback loop between management and customer-facing staff. Often participants were charged by co-workers to take a message to management and, conversely, they were encouraged to share their experience in local centres, thus spreading the word of a changing culture and genuine empowerment rapidly through the organisation.

4.2. Organisation 2 – Build Stage interventions example

4.2.1. Driving Engagement and Governance
The Build Stage of the second organisation was more focused on developing stakeholder management and communication channels. There was some reflection on whether giving priority to improved communications might have been influenced by the extreme gender biases in both organisations, the first being primarily female, the second predominantly male. However this was an untested hypothesis raised by the Action Research team. Observation of this difference, however, added another level to the approach to shifting culture and the different emphasis that could be placed on necessary elements of the change process.

As a result of these observations, I began to design different engagement interventions and communication vehicles for the two organisations to ensure quicker and more sustained adoption. The second organisation needed more focus on driving face-to-face communication (something that was already deeply embedded in the culture of the first organisation) and shifting away from a habit of withholding knowledge and using it to maintain silos and heighten competition between business units and among groups of individuals and, at best, flood the organisation with email traffic.

4.2.2. PMO
Because this organisation was undergoing such large-scale change, of which culture change was only a part, I had requested that a formal Project Management Office (PMO) be established to set in place governance across all change programs. The vision of the PMO was that the culture initiatives could and should be woven across and within all the other large-scale change (technology, restructure and process re-
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engineering) programs. This would also mean the change programs would have a formal mechanism (the PMO) to inform the culture change program about behaviours, practices, shapers that would impact the culture – positively and negatively.

On reflection, this was a good theory, but in practice it was unsuccessful from an enterprise-wide culture change perspective. It was difficult to get the PMO to hold an overarching view of the transformation. The propensity was to be reductionist, to keep each part of the business rejuvenation in distinctly separate boxes which increasingly compromised the transformation delivery.

As an Action Research process, we revisited this conundrum many times and tested different means of influencing the outcome, yet few attempts succeeded. This resulted in lost opportunities to leverage important culture-alignment activity, lost opportunities to maximise the impact of communications and to use communication to maintain a high level of engagement and motivation. It also resulted in reduced opportunities for the culture program to inform and influence other programs to ensure consistent future-state messages were delivered across every program and lost vehicles and opportunities to track and measure certain complexities of culture change in a centrally co-ordinated manner.

As the team continued over a period of 12 months to tackle some of the PMO issues, we did implement some small wins that served the overarching culture. However it was a key learning and commitment that in future, I would endeavour to design and implement a holistic PMO with ongoing education to help the PMO develop a culture sensitivity and ability to monitor and track such complex areas across all change activity. As with the culture change team, it is important that someone who can hold a holistic perspective lead the PMO function.

4.2.3. Executive Engagement

As is often the case, power struggles emerged between some of the most influential senior executives as it became clearer that in the new organisation structure, power and status would be more widely shared within the business structure and behaviours would have to change. With some Board members, there was no need to convince them of the long-term benefit to the organisation of the approach, others were understandably not as willing to give up control.
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Considerable time was spent in this stage briefing executives, addressing their concerns and ensuring their input was acted upon. On a number of occasions, their services were requested in leading groups, providing creative input or taking the champion role. Deliberate effort was made to maintain their status while continuing to make changes.

These struggles had far-reaching, ongoing impact on the success of the culture transformation. There was no silver bullet solution. My realisation, reinforced a number of times, that one critical success factor was to have a senior leadership team who demonstrated authentic individual and team engagement and alignment – who were willing to genuinely role model the changed behaviours. Sadly this was never fully achieved in the second culture implementation and is a place for continued reflection.

It seems an inevitable element of culture transformation is that, at some time, some senior people will have to leave the organisation in order for a transition to occur. There is a phrase used in relation to social change … ‘change happens one funeral at a time’. I don’t think the situation is so extreme, although there seems to be some truth in it. A lot of time and momentum is lost in trying to bring some people across the line that are not willing to let the change happen.

4.2.4. Developing a Champion Group

As a business organised around power and authority, (as demonstrated by the company-culture, diagnostic results and confirmed by observation), it became evident that some form of change champion group needed to be established. This was an interesting action learning process in that it started with a vision of a tight, cohesive executive champion group of 20 people. At each of the executive ‘Culture, Leadership and Change’ workshops, we canvassed for champions and as we progressed through the groups, the champion program developed its own momentum.

As we continued to reflect on and refine the champion program, the profile of the champion changed, the number of champions involved changed, the areas of the business from which we were seeking them changed. It steadily increased to become a 64-plus, voluntary group of senior executives from each market, region, office and administrative service with influence at every level of management. This itself was an indication of a change beginning to take hold within the culture.
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As part of the culture program, a number of initiatives were designed to both engage and educate this champion group in the process of general change and specific, new target culture behaviours. Most importantly, the champions established a group identity with a clear purpose. They met regularly by teleconference, transmitting information from the workplace back to the culture shift team and the senior management. This group, chose to call themselves Advocates rather than champions as they were clear they were acting as a two-way conduit of information and influence. They were kept up-to-date with change projects and supported in dealing with regional or market specific issues and had direct access to the Board.

We took every opportunity to put this group at the forefront of critical communications and utilised their extensive network of contacts to apply special interventions, monitor results, and collect ideas and feedback and to source the key messages of the ‘to-be’ culture.

Their positive influence on the culture was evident through informal channels – rumour mill, corridor feedback; and via formal channels, leadership recognition, team feedback, surveys, and provided a powerful stabilising force, both for the staff and the management. This was one of the first times I had seen such a successful implementation of the concept of change championship.

4.2.5. Culture Shapers

One of the key aspects of the Culture Framework that I wanted to validate through Action Research was the use of Culture Shapers. My belief was that it was the shapers that could help embed and sustain the change and hence time was invested with the change leads of all the other change programs planned or already underway. The projects primarily focused on were those that had a direct impact on the culture shapers, which, in this instance, included the Organisational Restructure project, the Performance Management System and KPI project, the setup of the Communications Department, the Leadership and Development programs, the Technology and Process Re-engineering projects and specific strategic initiatives (Client etc). Further focus was placed on projects that indirectly affected specific culture shapers including those that impacted Succession Planning, Recruitment and Induction.
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The purpose of this attention was to ensure that the proposed changes reflected and reinforced the values and behaviours required of the target culture and did not in any way reinforce ‘old ways’ of working that would impede the take up of new behaviours. Many of these HR practices were, in fact, new to the organisation. The old culture had no clear and aligned KPIs, performance review or succession planning processes and many of these new programs were likely to create a significant impact on the culture as well as requiring preparatory training. Additionally, there was a radical upgrade of the technology. IT was establishing electronic record-keeping processes which were aimed at fundamentally changing the operation of the business (as were many of the HR Shapers). It would mean considerable training and behavioural change. The intent was to ensure that the implementation was culturally aligned.

The role of Action Research was pivotal with this difficult, complex and strongly resisted aspect of the culture program. A subset of the culture team would meet regularly to assess each of the change projects, how they were affecting the behaviours, how much the communications were aligned to reinforcing the target culture and vision, what aspects of the old practices were getting in the way of the program, how targeted consequence management might assist and so on. This resulted in a number of targeted, purpose-built small interventions being developed, which were tested, refined, implemented, monitored, refined and so on.

In some cases, this spanned quite a long period of time. One example of this occupied ten months of our attention – the implementation of a new organisational structure. As part of this process, we designed up to ten different interventions, running the full Action Research phase on each intervention. It was only the last intervention, which took place months after the actual restructure was implemented, that succeeded in having traction and some sustained success. We spent considerable time reflecting on reasons for the earlier lack of success and subsequent take-up as it was a critical learning area for the future. Among other observations, the timing of when the change team was invited to be involved, politics, power plays, lack of understanding regarding the value we could add to business issues all played a part. On reflection, the criticality of stakeholder management was highlighted in this situation. A more concerted effort to engage and form strong relationships with a key resistant stakeholder would have ensured earlier co-operation between the culture team and the newly forming business units.
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The critical insight, again, was that culture change needs to be ‘wrapped around’ daily business issues. When it is seen and treated as esoteric ‘soft stuff’ then the business will not make the time to let us work with them. As soon as I was able to say that we planned to look at the aspects of their area’s culture, behaviours and mindsets that were resulting in poor revenue or performance statistics, then we were able to get their attention and our work could and did deliver demonstrable and tangible shifts.

4.3. Reflections from the Build Stage

- Reflecting on this stage of work occurred at a point at which data, ideas, assumptions, possibilities and acknowledgement of the risks and opportunities came together with a sense of certainty and confidence about the forward direction. This sense of gathering and preparing for activity provided an opportunity to reflect more formally, double check assumptions, renew commitment and brief a wider change community for the activity ahead. It is equally the time when opposition, overt or covert, seems to gain energy. Additionally, in a large organisation, there are so many ways that it can arise and so many old networks and allegiances through which they gain momentum.

- I am now convinced that the building of a strong and well thought through change agent coalition is essential to the long-term health, and therefore effectiveness of the culture change initiative. Investment in the change agent network enhances the process of engagement throughout the organisation, providing information to the workforce while collecting reactions, responses and suggestions for delivery to decision-makers. In my opinion, this group is not an ‘add-on’ or a ‘nice to have’ but a significant part of a successful implementation. Establishing and maintaining this group gave a much broader audience an opportunity to participate and actively contribute to the overall change project, thus broadening the base of acceptance and active engagement. One of my personal learnings was not to control this coalition group too tightly as I had attempted to do at the outset but to support them taking responsibility for leading and facilitating the change.

- An often overlooked side effect of culture change is that a lot of negativity is engendered and directed at the perceived perpetrators of the change ... the change team. The capacity for the team to sustain and encourage each other is
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essential. I have witnessed this seemingly peripheral issue being ignored at the ultimate cost of the project. The team can be marginalised as ineffective, unable to influence and carry through actions and their work relegated to people who are loyal to the old culture. The result is that the change team move on to other jobs and the culture change lies, at best, dormant.

- Identifying the main culture shapers of change occurs in this stage. Increasingly, we sought to influence or leverage pre-existing and future planned change projects, underpinning them with culture messages and adjusting the training, behaviours and messages to build alignment to and consistency with the target culture. This had a number of payoffs. It saved money, time and effort. It doubled or trebled the impact of the core message (as confirmed by communication feedback surveys). It repeatedly demonstrated the integral nature of the transformation, how each element added to the overall business rejuvenation. It utilised resources more effectively and transferred knowledge more deeply into the organisation. It also worked around some of the opposition the culture shift team was beginning to experience as the resistance to change gathered force. The leveraging made it more difficult for people to undermine our efforts as few of these interventions were under our direct control.

- Working with the organisation structure shaper highlighted and confirmed the importance of ‘wrapping culture change’ around specific and concrete business issues. This was tested in a number of situations (e.g. the CEO Think Tank sessions, which resulted in tangible solutions to persistent organisation-wide issues) with similar positive results. In providing evidence of positive change with specific business payoffs people are gradually brought around to the idea that the change effort is worthwhile.

In both case studies, the focus of the culture change programs shifted from the more traditional activity-based approach to relationship building. Over a short period of time, a coalition of enthusiastic supporters was brought together; people who held influence at different levels of the organisation. In both cases, this ‘coalition of the willing’ had included sceptics and unbelievers who had joined to keep tabs on what was occurring or make sure their dissenting voices were heard. Including them had the effect of turning them into ‘true believers’ and thus presenting role models for the organisation
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of credible change. In many ways they were the most effective champions, especially as many held the role of ‘elders’ in the social network. Equally, stakeholder management was key in this stage as the tipping point of willingness to change approached.

Figure 5: Sample Build Stage Culture Interventions mapped against Shaper Framework

Source: C. Kirk
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5. The Implementation Stage

The Implementation Stage is traditionally the high action stage of the change. It is in this stage that the main body of culture change interventions roll out. It is usually the longest in duration and requires significant project management to ensure the interventions are being implemented, the Action Research reflections are still being conducted in a disciplined manner and the reflections and adjustments are being continually incorporated into the change plan in an organic and agile way.

5.1. Organisation 1 – Implementation Stage interventions example

5.1.1. Ensuring agility in the delivery of the program

In the case of the first organisation, events in the larger social environment (including industrial relations bargaining and a changing political environment), threatened to impact the planned culture rollout, which from the change point of view would make later implementation difficult. Having gained a high level of acceptance and enthusiasm for the changes about to unfold, it was important to maintain the momentum created. After reflection and analysis of the options, the program was adapted to suit the changed circumstances, deferring the timing of the major structural rollout for four to six months, while focusing on delivering the training, skills development and business planning essential to ready the business for the culture change.

By analysing the risks and concerns behind this decision, we were able to test ‘managing the AND’. As an example, the planned culture change program was able to be reworked to ensure it minimised risk while maximising innovation, to ensure union concerns were managed while still delivering change and so on. It was a successful test of ‘AND thinking’ and resulted in fundamental but relatively ‘safe’ change activity continuing during a more volatile business environment.

5.1.2. Behaviour Change Workshops

One of the above-mentioned adaptations was to shift the focus from leadership to staff and back to the leaders. Leadership Development workshops were conducted to support leaders of the imminent change to develop knowledge and experience in paradigm shifting, change management, leadership, group dynamics as well as a shared group experience of the case for change and the necessary ‘from-to’s’ (shifting
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the organisation from specific old behaviours and mindsets to the target behaviours and mindsets).

Although these workshops were intended to increase the skill and confidence of the management groups, in retrospect, they also contributed significantly to their level of engagement. Managers recognised that a lot of effort was being directed to helping them make the changes and they had both the opportunity and support to challenge or question the strategy. Group discussion accelerated the transmission of information and opinion and this was transmitted back to the workplace as a ‘homework’ task, thus including the whole organisation in the change rather than it being something that was just for the senior management.

5.1.3. Two-day regional team management workshops – 18 workshops – Emotional Intelligence and Personal Mastery

As the restructure took effect, management teams were brought together in a learning environment to establish high performance team behaviours, as individuals and as intact work teams. The workshops included leadership skills development and alignment of the team purpose with the vision and values of the whole organisation. In this environment, a less-hierarchical group dynamic was established, to the surprise of some of the more junior team members, and a participative management style initiated. Each team worked on their performance targets and designed interventions that would establish the behaviours that would ensure their achievement.

5.1.4. Targeted Interventions

As soon as the changes started to roll out, it became evident that some groups would need specific attention to get traction from the culture program. Some were professional and technical groups who felt that their status had been lost by the focus on performance and some feared losing relevance and privilege in the transformed culture. The change process required a certain level of strength, courage and commitment for which not everyone had signed on.

One particular intervention, outlined below, served to both support the group itself and also to unify and focus the wider culture. It also served to spread the change knowledge to a new group of people who used the methodology to solve a problem, increase effectiveness in a particular part of the business and enhance the profile of
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the business in the marketplace – that of Indigenous health services. This was an area that was experiencing long term difficulty in driving and embedding sustained change.

Working closely with the CEO, a coaching session was held with the Indigenous Unit management team to build a mini-culture change program, working through vision and values, change objectives with the ‘as-is’, ‘to-be’ process, a detailed change plan and new monitoring processes.

The program was rolled out first in areas of the country servicing the Indigenous population and then in metro and urban centres where there was a significant Indigenous client base. The rapid turnaround in effectiveness of the unit inspired other specialist groups to address their plans and overall, united the organisation in a strong sense of pride and achievement. The program catchcry, ‘Indigenous is everyone’s business’, became a rallying point across the business. The results were outstanding and the method adapted in other government departments with Indigenous responsibilities.

5.2. Organisation 2 – Implementation Stage interventions example

5.2.1. Senior Management Leadership Development

In the second organisation, the implementation commenced with a rollout of ‘Culture, Leadership and Change’ workshops across the executive groups. Much of the material was directed towards educating the executive team about current organisational practice, understanding the vision and the case for the change, identifying the blockers to the change and starting to shift mindsets. A core session was a feedback and coaching session on a 360-degree behaviour assessment, the first feedback any of the executives had received. The personal assessment made the focus on behaviours more immediate and more relevant with managers understanding the degree to which they could change work practice just through changing their own behaviours.

This was a forum for these executives to put their opinions forward, hear each other’s point of view and build relationships with the wider management community and with
members of other regions and markets. It was for them the start of a new way of working and a clear signal that the relationship structure of the organisation had changed.

The workshops were carried out in three waves; the top 130 executives for three residential days, the next level of 180 for two days and the final group of 140 for one day. As we continued our Action Research phases within this intervention, feedback was collated and stories from previous workshops were gathered to inform subsequent sessions. By the third rollout, participants were familiar with the case for change and the Journey Map, the culture shift behaviours that were targeted and the overall vision for the future. The outcome was a high level of commitment from a large group of key influencers.

This intentional enrolment in the vision by such a large number of people was an idea that came from one of the initial interviewees. It had been suggested that an under-utilised strength of the organisation was the 400-strong executive, equity-owning partners, who had both a financial and professional investment in the success of the business. Once we harnessed the goodwill of that group, a momentum of change started that was potentially unstoppable.

5.2.2. Coaching Program

Individual, team and group coaching was a large part of the management development. We worked one-to-one with selected change influencers to enhance their influencing and communication skills; we worked with resisters to help them either shift behaviour or step back from the resister role, which, in some cases meant leaving the organisation.

We also worked with teams that were struggling, using the culture shift menu to tailor interventions to suit each situation. These were effective. A lot of the material collected in earlier stages (Assess and Design) was used in these interventions. As an example, a few key clients had been interviewed for inclusion in the Journey Map presentation to staff. One client had talked specifically about how the organisation could promote their services to government. This footage was used with the Canberra leadership team to open discussion to examining some of their assumptions about their client base.
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Sometimes these coaching sessions, either with teams or individuals, prompted people to come to a decision to stay or leave, something senior management was prepared for (we had planned for and delivered explicit expectation management meetings to prepare the leaders). It was interesting to observe how often a group came together and made remarkable progress after that person had left. Gradually these pockets of resistance either shifted or reduced. Some people took the opportunity to leave the organisation or to change direction within the organisation.

One of the Action Research reflection meetings highlighted that this intervention was an opportunity to start tracking how quickly performance could shift after specific interventions. A Quick Wins Register was created and used in subsequent presentations and discussions to shift mindsets about what was possible (or not) and to encourage more creative approaches to local or specific situations.

5.2.3. Whole-organisation communication

Some of the most effective interventions implemented were those that included the whole organisation. The data from the Assess Stage had already identified that the organisation suffered from a lack of face-to-face communication, its channels were limited, and no form of mass gathering had ever taken place in the history of the organisation. The CEO’s wish was to connect with all parts of the organisation and to build an integrated and focused business which provided the sponsorship for finding creative ways of opening the change process to everyone.

The first of these was a Town Hall session, attended by all staff, held in each region to communicate the case for change with a Q&A session to cascade business information down through the organisation. This was the critical forum to introduce the Journey Map and a supporting animated DVD, aimed at bringing the Journey Map to life for the whole organisation. The DVD was a ‘first’ for the organisation, designed to bring the ‘Board members to the frontline’. Each Board member spoke on a specific aspect of the Journey Map. The map had been converted to a three-dimensional image, which made the messages and the map simultaneously come to life in a creative and captivating manner.

This intervention was a successful interrupt, signalling that the desired future state was already here – modelling creativity, technology and innovation. It also sent a strong
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message that the Board, senior leaders and senior managers were aligned behind the vision and direction, with the Board speaking to the Journey Map on the DVD and the senior leaders and site change champions leading the Town Hall sessions, thus putting a familiar and credible face on the strategy. This also provided a forum for leaders to step forward in their leadership roles, extending the influence of senior management.

Survey feedback and informal channels indicated that there was a high level of understanding of the case for change using the Journey Map and a reasonable level of understanding of the direction and the next steps.

5.2.4. The Chautauqua

The second organisation-wide intervention was a roadshow which, as a pattern interrupt, we chose to call a ‘Chautauqua’, a reference to an American tradition of travelling culture shows which were effective in spreading a common vision of ‘Americanism’ across the country in the late 1800s and early 1900s. We held half-day events in each region for all staff, co-ordinated and hosted by local offices and facilitated by the Learning and Development team. 45 sessions were conducted across eight countries, four languages for over 4,000 staff. This was the first company-wide communication ever held.

Much of the research and data collated during the Assess and Design Stages was applied to these events. By this time, we now understood the culture, symbols, stories and practices deeply and could apply them to each specific audience. The road shows were entertaining, including a key culture intervention, a 40-minute dramatisation of the ‘to-be’ culture which demonstrated the behaviours that would support the growth strategy of the business. They were engaging, asking the participants to personalise the company’s values through small-group processes. There was ample opportunity to discuss, comment or question all aspects of the change. Each roadshow produced data on local conditions, innovative suggestions for operational change and information on resources needed, including skills and management training.

Although many people entered the Chautauqua with some scepticism, most left having ‘got what it was about’. There was a clear model for the future. Again, local champions were present and visible at the events, making themselves available for further discussion and confirming that they would continue to keep offices updated on
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progress. In most regions, the two half-day session participants shared a lunch, promoting more cross-functional, multi-level interaction. We wanted people to experience the organisation as a whole not just their small area; to recognise its strength and diversity and the potential inherent in the strategy. In some regional offices, particularly in SE Asia, it was the first time the staff had gathered in one place and it had a significant impact on the way they identified themselves as a business unit and as part of the whole.

As part of the formal Action Research, we appointed people at each site to monitor the session, the responses, the feedback and the group work from the day. This was a key opportunity to embed two-way communication and site-specific issue resolution. The event was followed up with formal analysis of the feedback received from the session question: What do you think has to change? The local L&D and HR Leads and Regional or Sector Managers headed ongoing change sessions to implement local solutions that would support the overall cultural objectives. This again reinforced the signals that things were changing (for the better), that each person had a role to play in this change and that solutions were localised.

5.2.5 CEO ‘Chats’

The third intervention closely followed. The CEO made a tour of all the offices across the whole organisation, holding informal information sessions, meeting people and discussing his vision for the future. In his words, “everywhere I went I heard people say that it was the Chautauqua that got them on-side”. Feedback through the champion group was that his visit impressed people with his understanding of the business and local challenges. The CEO, in turn, learned a lot about the business that had been kept from him in the previous culture of silence. He was also able to meet and identify future leaders and promising talent for development, a group he later pulled together in Think Tank sessions to work on the future of the business.

These three activities (Town Hall, Chautauqua, CEO Visits) resulted in more managers shifting their behaviour around face-to-face communications, spending more time with frontline staff and focused the attention of managers on staff and customers rather than on the Board and their own personal position in the hierarchy.
5.2.5. Engagement Program

In an organisation where silence was the norm and information was sometimes used for personal advantage, it was not surprising that there wasn’t an effective internal communications function. Although there was much talk about the importance of communication, (also identified in the culture diagnostic as communication as being the number one problem), there was little will to allow a communication function to exist. An example of this took place six weeks into the project when the Communications Manager left and was not replaced for a further six months.

Knowing this was a risk to the culture program, I recruited our own Communications Lead to initiate the internal communications process. This included Cascades and a Myth Buster’s program through which we were able to address negative gossip and miscommunication in a humorous way. A dedicated website was established that contained increasing amounts of material that informed staff about the change process, provided successful change stories and advice for challenging situations. It also included communication packs for executives to use with their staff as well as workbooks and facilitation guides for working with teams.

5.2.6. Sector Leadership Program

The next part of the program was to work with the Sector Senior Leadership teams, establishing behavioural expectations and change plans around specific business issues that each sector was facing. We implemented an Action Research reflection program initially just involving each Sector Leader with three of the culture team members, and then including more of the Sector team after the workshop had been completed. This group was tasked with specific monitoring and reflection activities, with a member of the culture team following up for some weeks and months after the workshop took place to ensure sustained attention and outcomes. Each of these groups was struggling with working in a matrix structure, with little or no face-to-face contact with each other. In breaking down some of the barriers in the team dynamics, they were able to develop a clear direction for the business unit, communicate it to the Sector employees and create a more viable virtual community directed by a common vision.

This was a surprisingly successful culmination of many of the company-wide culture interventions. A purpose-built workshop was designed for each Sector Leadership
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team that aimed to wrap culture and behaviour change around the specific business challenges the sector was facing at the time. It reinforced a success factor I was focused on – namely, to be effective and expedient, culture change must be folded into live and pressing business issues.

5.3. Reflections from the Implementation Stage

• Concentrated and focused stakeholder management is required when the action starts. Some people cannot imagine what will happen and when they see it in action they often react by moving to defensive positions … sometimes using attack strategies. I would, in future, take this much more seriously and develop a mini-program around this issue with a focus on involving more of the objectors in the delivery of the program, ensuring their needs and fears are met with design elements and calling out the resistance more overtly.

• When approached from a high level of creativity and sophisticated design, communication both engages and demonstrates new behaviours and attitudes, thereby providing an immediate experience of what is wanted. When executives rely on traditional methods of communication, the messages go unheard in the institutional deafness that arises out of a culture on autopilot. New media, new design wakes everyone up to possibilities, giving permission for people to push the edges. It is particularly encouraging for young leaders in an old culture who see the possibilities in using technology and modern social norms to create a workplace that is both successful and exciting.

• The integrated approach of deploying the whole Culture Shaper Framework, almost simultaneously, in the second project was very effective … although complex and sometimes confusing. We worked directly on values, beliefs and assumptions while providing training in leadership and communication. Initiatives to reinforce the vision and behaviours were designed by using the structural culture shapers, (succession planning, consequence management, KPIs, HR Policies, Performance management, reward and recognition and so on). In parallel, we had a full-scale engagement program driving top-to-bottom engagement and opening up more two-way communication channels, bottom-up and top-down. The governance to ensure tracking of progress and continued focus on leaders role modelling new ways of working was absolutely paramount. I would in future,
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dedicate more time and Action Research focus to resolving the complex
governance and tracking mechanisms.

- We deployed some new program initiatives (such as Client and Agility programs) to
  help reinforce the five-year strategic plan. We used these as ‘Trojan Horses’,
effectively embedding any behaviour initiatives within the existing business
programs. Embedding culture inside existing, endorsed high-profile projects was an
efficient way to get early traction and to ground the culture change in business
initiatives.

- The series of culture plan one-pagers, one page for each menu item, became the
  working manual for each element and proved to be invaluable. There were no
charts, PowerPoint packs or operations manuals, thus allowing maximum freedom
to implement each element in the most useful way, according to circumstances. By
getting the principles right, there was no need to define each action. The principles
kept the design on-course. It also meant we could move quite fast, from
intervention to intervention, cascading information, training and new procedures
rapidly and without creating too much pushback.

I found that providing this form of ‘plan’ to key personnel gave enough detail to
inform them of what would happen without overwhelming people with information
they didn’t need or want. Each of the menu items could be enhanced with a brief
one-pager description of purpose, method, timing and accountabilities and further
with a more detailed plan of implementation for those whose task it is to make it
happen. People received only as much information as they needed, the time and
effort spent in the paperwork was minimised and, more importantly, people were
freed to use their own ingenuity to get the job done. With a clear ‘what’ and ‘why’,
the how was left to the people who knew how to make it happen.

- The behavioural workshops were a test of the questions I had raised in Research
  Phases 1 and 2 around how useful or necessary it was to have to work with the
‘soft’ side of culture change. My reluctant conclusion, after having observed
approximately 50 behavioural and personal development-focused workshops
across both the programs; and having reviewed the feedback, monitored shifts in
group dynamics, conducted culture diagnostic assessments, was that it was
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essential to sustaining long-term change in mindsets and behaviours. This was a stance I would take into subsequent large-scale, culture change programs – to good effect.

- An element of navigating the complexities of culture change was tested and proved essential in this stage, that is the importance of the personal development (working with the deep-seated values, beliefs and assumptions) of, at the least, the leadership teams and ideally of the whole organisation. Without this component, the culture shift would have taken much longer with greater loss of talent and skill and, I believe, greater disruption to business as usual.

- One obvious, but practical learning to take into subsequent projects was about the risk the lack of follow-up to culture interventions posed to the long-term success of a culture change program. I realised that I needed to formalise the Action Research process with post-workshop client teams and take it out of the domain of just the Culture Shaper teams. As an example of the missed opportunities, in a number of cases, we ran a successful culture workshop, the attending team could produce superb results and action plans, however if the prevailing culture is one of avoidance of single-point accountability, the plans will never be pursued – no matter how hard we stressed the need for sustained action and follow-up. The effort was at worst a waste and at best something that must be followed up over and over again. A simple follow-through process was developed to good effect, attendees being asked to respond directly to a ‘tick the box’ intranet page when they had delivered a workshop output. This was repeated several times with different activities with recalcitrant managers followed up by phone. It is this sort of simple, direct demonstration of determination that needs to be more consistently applied.

Overall, it was important to pay close attention to all the stakeholders and address the emergent needs of the culture for information, direction, two-way feedback and prompt adaptation to changing circumstances.
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6. Sustain Stage

The Sustain Stage, in my observation and experience, is the stage that has least attention placed on it in traditional Technology and Process Re-engineering programs. The project ‘goes live’, support structures are handed over to the business and the project team ‘evaporates’. In culture change programs, this is a place of considerable risk, the time when the organisation could slip back into ‘old ways of working’, when the
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culture focus, funding and team can be disbanded, when good intentions of conducting a re-survey are quietly taken off the budget and the critical mass of work can dissipate. This is the time when traditional change management disciplines need to be incorporated, knowledge transfer plans, a solid continuing business-sustain culture plan and formal handovers and accountabilities and reviews put in place.

6.1. Organisation 1 – Sustain Stage interventions example

6.1.1. CEO Transition Program
In the first organisation, the Sustain element was begun in earnest when the CEO announced retirement. As part of the Sustain plan, the CEO was advised to thoroughly immerse the incoming CEO in the change strategy and activity. The Culture Team conducted a number of ‘Sustaining the Change’ workshops in which the managers were given an opportunity to express their hopes and fears for the future and to commit to a continuance of the culture shift they had implemented. This shift of ownership from the CEO to the managers gave a momentum to the program that was part of the plan to ensure continuity of the change program and to embed the changes into the culture for the long term.

6.1.2. Board Engagement
At the same time, I worked with the Board again to ensure they held continuity in messaging, direction and leadership. I presented the progress and the outcomes, helping them understand the connection between the interventions and the change itself and emphasising the importance of being vigilant to the new CEO’s business strategy to ensure it both supported and maximised the strength of the culture.

As it turned out, this was not necessary as the incoming CEO was content to build on the existing strengths by focusing on performance in all areas of the business. The groundwork had been done for the organisation to direct its efforts to the marketplace which is what happened … the organisation making considerable progress in market share, revenue and profitability over the next three years.

6.1.3. Denison Culture Diagnostic
The Board was asked to approve a Denison Culture Survey to provide a benchmark for the future. There was a high degree of reluctance on behalf of the Leadership to
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conduct any diagnostic. An untested assumption was that there was a (natural) concern regarding what the results would be and whether reputation or morale could be damaged if the results were poor. From my ‘outsider’ position, I believed the results were likely to be positive. The organisation had made substantial progress over the period of the transformation, the change program was bedding in and the business-performance statistics were improving. When the survey was finally conducted, the results were extraordinarily positive – the best I have ever seen. The breakdown of results showed that where we had worked directly with the management teams there was a consistently high measure of effectiveness in all four quadrants of the map; where the change program had yet to impact or where the teams had not yet been included in development work the results reflected this with large gaps in effectiveness in all four quadrants.

The following Denison diagnostic result was in an area of the organisation where we had begun the culture change work, but only worked in some areas; for example values, strategy and alignment, customer awareness and team building. The results almost show a literal match with the work carried out to date. The gaps reflect the areas not yet addressed within the program.

Figure 5: 28 – Example of Culture Survey Result of Business Unit which was in Early Stage of Change Activity

Source: Denison, Organisation – Confidential
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Unfortunately, the consulting team completed their work at this stage and the organisation did not repeat the survey. However, they did work with the survey’s recommendations in directing more attention to the Adaptability quadrant, particularly in relation to substantially increasing the marketing focus of the organisation.

Subsequently, with the change of leadership, the culture team was disbanded and the focus on ensuring the change was sustained fell to the hands of the leadership teams. In my experience of the programs I have led, this is one of the biggest risks in culture change programs. With a change in leadership, the appetite for active change can diminish or be stopped outright, making future change more difficult to implement due to the experience of change failure.

Having said that, this organisation continued with many of the earlier interventions built into their day-to-day operations and continue to succeed, grow their market and to improve their operations.

6.2. Organisation 2 – Sustain Stage interventions example

In the second organisation, there was so much change still occurring when the consulting team left that it was almost too early to define the Sustain activity. I did, however, put in place a few elements in preparation for the external team’s departure.

6.2.1. Culture Board

This governance mechanism was established with a group of high-level executives to ensure that future strategic decisions were not contradictory to the vision, culture and behaviours of the rejuvenated organisation.

6.2.2. Think Tanks

These interventions were a direct result of the Action Research and learnings of the first case study. Although these had been included in the ‘culture menu’, they had not been enacted early in the program. However, the CEO planned to conduct the Think Tanks as a way of staying in touch with the creativity and knowledge of the ‘high potentials’ across the global organisation. With these in place, the spark of new thinking will continue and the communication that the organisation is forward thinking will be carried through the organisation.
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6.2.3. Business-as-usual sustain initiatives

An important focus prior to withdrawing the consulting team was to ensure many of the Culture Shaper initiatives were embedded into the fabric of day-to-day operations. This included ensuring the change lead and culture team had adequate knowledge transfer to continue. The champion program and the targeted coaching interventions continued. Programs such as new leadership development programs, resource management and performance management projects were initiated, targeted behaviour change initiatives were designed to be delivered without external consultants, a fully resourced communications department was set in place and so on.

6.2.4. OCI Culture Re-survey

This was planned for and deferred a number of times due to the Global Financial Crisis. The organisation would first need to test the newly acquired/merged businesses to establish a baseline for retest. A retest would show whether the business had any areas of progress and areas of slippage and point to the ultimate challenge of whether they can maintain attention to the culture on an ongoing basis.

6.3 Reflections from the Sustain Stage

- I don’t believe that enough consideration is given to this stage of culture change work, often leaving culture programs missing potential benefits and opportunities. It is not difficult to put in some guardians of the new culture; however most people I’ve worked with are keen to get onto the next action, the next change or a new job. I think this is a fault for a number of reasons:
  - First, the old culture will re-emerge, possibly stronger than ever.
  - Second, the results of all the effort and money are not calculated against the benefit therefore laying the ground for a challenge to the next change project.
  - Third, many aspects of the change program will have negative, or less than outstanding, results which may not show up for many months or years. Change needs to be monitored regularly and over a long period of time to ensure more or different problems have not been inadvertently created in the culture shift.
  - Fourth, the culture does not get to record its transformation for future culture endeavours, and thus wastes an opportunity for adding to the history of successful change within the organisation.
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- I found it most valuable to work with the main sponsor in both case studies. The authority of the Board was clearly held by the CEO in the first example and we therefore received, first-hand, the wishes and expectations that were in place. In the second example our sponsor provided a direct line to the vision he was holding and was a key negotiator in dealing with the resisters. Whenever we felt the program was at risk of losing its direction or momentum or felt in chaos, we sat down with him to regroup. He was steadfastly supportive of our actions no matter what flak he had to accept.

- In both projects, significant resistance was observed in conducting periodic checks on progress – something quite contradictory considering the oft-repeated phrase: ‘what about return on investment?’ I believe there is an unconscious reason for this unwillingness to measure the success of culture and change programs in general, but that is a further Action Research exploration.

I am more than ever committed to regular assessments of activity and progress, with and without measurement. In future projects, I would be more insistent on carrying out these assessments on a regular basis throughout the life of the project. Periodic checkpoints provide an opportunity to assess progress, redesign interventions, to sometimes drop some elements and introduce new ones. The information that is collected provides material for internal communications that engenders new organisational stories and carries key messages that direct behaviour, telling the story of how the organisation is recreating itself.
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Figure 5: 29 – Sample Sustain Stage Culture Interventions Mapped Against Shaper Framework
Source: C. Kirk

7. Program achievements to date

7.1. Organisation 1

The first organisation has completed its transformation and also the first reporting period of the new structure and culture.

At the time of writing this thesis, management reported that:
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- The organisation is a more connected entity – having moved from a decentralised and regionalised structure to a national identity with closer working relationships between regions and sectors.
- They have successfully made the transition from bureaucracy to commercial operation without losing their essential value of ‘service’, been recognised by government with a Ministers’ Award for Exemplary Service and the BRW CFO Award.
- The leadership skills of the managers have increased and the quality of their input into the management of the organisation has increased immeasurably.
- Of the 10 from-to cultural shifts identified at the start of the project, six had been accomplished and 4 remained as needing some further attention.

More formally, the results of the Denison culture indicate the accuracy of these perceptions.

![Figure 5: 30 – Overall Denison Culture Survey – Post-Transformation Program](image)

**Source:** Denison, Organisation - Confidential

This circumplex indicates a very healthy integration of the functions that support effective customer focus and operations. It says, essentially, that the organisation is well structured to deliver performance and meet the challenges of a changing market.
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with integrated and effective management. This depiction of the whole organisation was repeated with a sample of the next three levels of organisation, where we had placed attention and provided the necessary training and development of personnel. Lower levels and functions that had been radically changed in both their operation and position within the organisation displayed areas that needed further work. This was not surprising, although encouraging. A culture transformation that would traditionally have taken up to five years had been successfully implemented across 80% of the organisation within two years.

The CEO measured the success of the execution of the strategy according to a model that was used to guide decision making. This indicated that four critical success factors had been met, ensuring the success of the culture change initiative.

Table 5: 11 – CEO’s Critical Success Factor Benchmarks

Source: CEO of Case Study One organisation

<table>
<thead>
<tr>
<th>Success Factor</th>
<th>Statistical benchmark</th>
<th>Company measured against benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>Only 5% of the work force understand the strategy</td>
<td>98% of management understood the strategy (IBM Denison Survey)</td>
</tr>
<tr>
<td>Management</td>
<td>85% of executive teams spend less than one hour/ month discussing strategy</td>
<td>Executives and teams spent time weekly, monthly and quarterly with MD reviewing progress.</td>
</tr>
<tr>
<td>Resources</td>
<td>60% of organization don’t link budgets to strategy</td>
<td>100% of all budgets were linked to strategy at all levels of the organisation</td>
</tr>
<tr>
<td>People</td>
<td>Only 25% of managers have incentives linked to strategy</td>
<td>100% staff had incentives linked to CP strategy</td>
</tr>
</tbody>
</table>

Benchmark source: Renaissance Worldwide/Business Intelligence Survey 1998-1999

Of even more importance, the performance levels of each business unit have risen dramatically even in the midst of increased competition and government intervention. As an example, the following graph shows the decreased number of new clients lost (left-hand columns) and the increased number of retained clients (right-hand columns) gained over a six-week period. All the performance figures across the organisation showed similar improved results. In this case, the executive congratulated the staff,
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acknowledging that this improvement had been achieved in the midst of a radical restructure and retraining for new jobs. Many staff members had stepped up to leadership roles previously not available and were quickly integrated into the management structure. This is a result that this organisation could not have imagined at the outset of the change program.

![Graph showing performance increase](image)

**Figure 5: Example of Performance Increase**

*Source: Confidential Organisation*

The overall year-end figures show that the organisation made these substantial changes in operating model and culture while maintaining steady growth and holding steady in the midst of the Global Financial Crisis in 2008.
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Figure 5: 32 – Financial Highlights

Source: Confidential Organisation

Operationally, the organisation shifted from one with limited metrics, no accountability, no leadership engagement in strategy and a ‘blame’ culture to one in which metrics were linked to strategy through multiple performance-based metrics, targets, scoreboards, reward and recognition by month, by quarter, and by year.

7.2. Organisation 2

In the second organisation, the program is still underway. In many areas, it is a long-term change and it will take several more years of concentrated attention to embed the new culture. There are pockets of outstanding work, with some leaders role modelling the future. There are also a few influential leaders who are holding back the shift in attitude and behaviour to protect their own positions and they are gradually being moved from roles that block progress.

The merger with an overseas company has impacted the culture change process more than the Board had envisaged. The background cultures of the two organisations (Australian based and South African based) are very different and there is a process of
getting to know each other to work out their collective strengths and challenges still to be undertaken.

Although the program was mid-implementation when my team left the organisation, the overall end-to-end culture transformation was seen externally as a successful complex program, receiving an independent Human Resources award as Australia’s best culture transformation program for 2009/10.

Financially, the organisation was hit hard in A/NZ, Asia and the Middle East although growth opportunities in Africa and Asia helped balance the books. After further adjustments to structure and people placement in A/NZ the region has not only returned to its pre-2008 figures but surpassed budget predictions with a very healthy profit while Africa continues to yield steady revenue and the Middle East shows signs of recovering its earlier profitability. Throughout a period of significant change, the organisation has remained resilient and has profited from its ability to adapt more rapidly to changing circumstances.

In summary, the organisation that had remained stable and unchanging for over 20 years had successfully carried out substantial change. During a three year business transformation process, the organisational changes that had occurred included a global restructure of its core business, a company-wide rollout of new technology and processes, a large-scale global expansion and merger and acquisition, a global rebrand of the emerging organisation and a shift in business model from a privately owned partnership to unlisted public company. This change was reinforced by further internal system and process changes including establishing a communications channel (from a position of only using email), a centralised project management/financial system, a customer-relations management system, a performance management program (from a position of limited ad hoc performance management) and so on.

My observation is that the culture program had played an instrumental role in helping the organisation allow the change, positioning the change as part of the journey, coping with the change, giving them tools and skills to work with the ambiguity and leadership through the change, developing change champions to step into the change leadership and so on.
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My task was complete in the organisation once the transformation design was well into the Implementation Stage. At this point, the in-house culture team was well trained in culture and change methodology and had enrolled a large group of influencers to the cause. I led a review and redesign of the culture shift program resulting in a robust plan which would take the organisation into the next two years, complete with updated one-pagers for the continued guidance of the culture team.

In recently revisiting this organisation, we repeated the initial interview process with the same people interviewed six years previously. A number of questions related specifically to their experience of the previous culture work and whether or not it had been successful in their eyes.

The response indicated a belief that there had been significant changes to the culture, specifically:

- Moving to a strategy-led organisation
- A shift towards client focus – “think client”
- More transparency and openness (communications)
- Positive behavioural change at mid to senior management levels
- More influencing, less controlling
- Empowerment for managers to fulfil their role
- Spirit of collaboration is growing (genuinely try to help each other)
- Improved Business Support functionality
- Increased safety focus
- Greater connection between performance and reward

The question “what are you pleased to have left behind” indicated further changes to some overt and covert aspects of the culture that had been on the from-to list:

- Geographic silos
- “Tight with money”; institutional meanness
- Command and control
- Hierarchy/superiority of “Principals”/Executives
- Dedicated People Managers (as opposed to Line Manager accountability)

One of the issues that I had identified in the performance discussion at the beginning of the project had been the struggle to link concrete performance outcomes to culture
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and behavioural change transformation. In this second round of interviews the interviewees responded to references about culture with phrases such as:

• Strong link between business strategy, behaviours and values
• Leverage existing initiatives as opposed to new “culture change” actions
• Culture program that sets up success of business as usual
• Bring culture to same level of importance as strategy
• Doing the right thing BECAUSE it aligns with our Values
• Clear messaging around why behaviour change critical to strategy

I believe the organisation now makes a clear connection between performance and the culture of the organisation in very practical ways.

8. In Summary

Two key points arose out of the systematic application of the Culture Shaper Framework to the task of shifting culture in two very different organisations.

One was that in each program, I developed a pattern of reflecting, reviewing progress and learning, adjusting and refining the approach and sometimes taking radical action to shift course. This has become such a habit that it now forms the core of my approach to both culture and organisational change that I now think of the process of culture change as an action learning practice.

The second was that the Culture Shaper Framework proved to be the key to implementing sustainable culture change. During the Action Research Phase, it evolved into a methodology which gave a firm foundation for the design and delivery of a whole-enterprise culture change. In the following chapter, I continue to reflect on the application of the Culture Shaper Framework, making refinements as I further reflect on Phase 3.
Chapter 6 – Reflections on the application

0. Introduction

Phase 3 of the research involved the application of the Culture Shaper Framework in practice via the implementation of two large culture change projects (Chapter 5). Where Chapter 5 focused on synthesising some of the Action Research reflections, this chapter focuses on analysing the application of the Culture Shaper Framework. I step through each aspect of the Framework, discussing how it was applied and what was learnt with regard to each Framework component. This provides a version of a ‘day in the life’ view of how to approach a culture change implementation. The reflexive process undertaken brought new depth and dimension to the model and the work. I conclude this chapter with a further refined version of the Culture Shaper Framework.

1. Defining and monitoring performance - first, know where you’re going.

Figure 6: 33 – Performance as an Outcome of Various Cultural Elements
Source: IBM, adapted by C. Kirk

I invested substantial Action Research and reflection time on the subject of performance and performance tracking and measurement specifically because of the ongoing difficulty I saw corporate leaders experiencing in justifying the risk, resource and financial commitment of embarking on a lengthy culture change program. While there is no ‘silver bullet’ argument to convince leaders to take on the challenge, being able to discuss coherently the role a culture program can play in specifically shifting the organisation’s performance was a good start. The Culture Shaper Framework
Chapter 6 – Reflections on the application

prompted for this conversation to be held up front. When discussing culture change within the context of performance, I found it helped to remove the ‘mystical’ and non-business reputation that is often attributed to culture change. It was an area that, in a number of cases, provoked long overdue robust intellectual discussion, thinking and debate at an executive level.

Although the performance discussion provided a level of measurement of the effectiveness of the culture change program, it nonetheless left many questions unanswered. How can you measure in such a difficult area? Is a culture diagnostic enough? If it is not, then what else can be used? Is it possible to identify useful measurement platforms for large-scale culture change considering there are so few methods commonly adopted except for culture diagnostic tools? And even those vary markedly from one to another. Working with these questions through the Action Research phase yielded a number of valuable insights.

During the case study research, I did not find or develop the ‘perfect’ culture measurement and tracking tools. I did test a number of measurement vehicles that I intend to further explore and develop. Apart from building accountability into the entire change process, I found that regular tracking and monitoring maintained the link between culture change and performance, assisting in steering the culture program away from being too internally focused. Keeping account of Quick Wins and culture contribution to business progress helped enable more buy-in and engagement from culture sceptics; and, in several cases, protected the culture program in times of economic downturn.

1.1. The up-front culture program and performance discussion

Working at the beginning of any culture program with the performance discussion was sound logic. It often flushed out immediate issues within the culture (avoidance and accountability, for example) and acted as a valuable direction-setter. The challenging, rigorous and far-reaching nature of the discussions initiated a shift in my perspective on the Culture Shaper Model. The discussions covered performance relating to so many of the shapers that I could see the inter-relationship of the parts to the overall performance of the whole. I realised, probably for the first time, that culture is not a part of the organisation, it could be seen as the organisation. It is the field that contains and defines how people, processes, systems, tools and so on are organised to achieve
Chapter 6 – Reflections on the application

specific and identifiable outcomes. The distinction between hard and soft, culture ‘depth’ (assumptions, beliefs) and ‘surface’ operations, people and task disappeared within the context of the whole. Any one or all of the elements could be shaped, leveraged, directed or supported to adapt to changing circumstances.

The strategic performance discussion provided a way to start orienting the culture program design around the External Shaper - external client focus, the competitive landscape, operating in a global environment and so on. The externally-oriented discussion prompted for essential changes including structure (the Organisation Structure Shaper) and role changes, new innovative practices, (the HR Practices Shaper) new HR policies and new performance KPIs etc. Not only was it easier to tailor the program to the specific organisation’s strategy, it also enabled the program to leverage leadership mandates and therefore made the case for change and engagement easier, and, ultimately, allowed aspects of these focus areas to be tracked and measured.

Further, the clarity that arose out of these conversations provided a reference point to keep the program on track. I introduced reflection into the leadership culture and invited them into a reflective process; ‘Is this decision or action directed towards increasing performance?’ This achievement-oriented question became a habit for the culture team and thus contributed to maintaining the alignment between vision and implementation. This became an excellent platform to elicit from the leadership team the specific behaviours and mindsets that had to change to deliver these performance outcomes.

The performance discussion needed to be built into the culture program at multiple points to influence the culture to be more rigorous around performance and outcome-focus. We started to ask tangible and measurable questions such as ‘How many more customers do we want at the end of 12 months?’ ‘How much improvement do we want in profitability per project?’ ‘Specifically, how many clients should be handled by each manager?’

As the project progressed, with culture and performance discussions being integrated regularly into the program, it became evident that this was good practice to adopt in other culture programs. As a result, an element of the culture program was designed to focus solely on governance and was added to the Culture Shaper Framework.
Chapter 6 – Reflections on the application

1.2. Culture diagnostic tools

1.2.1. Culture Diagnostics - Longitudinal progress tracking

Culture diagnostics should ideally position some form of longitudinal progress tracking that is baselined at the start, continued at various points within the implementation and at the end of the program to measure movement and progress.

In one of the case studies, the organisation had already selected a longitudinal culture diagnostic tool to deploy at the start of the project to define what the future needed to look like culturally (the ‘to-be’ state) and to use as a census across the whole population to determine the state of the current culture (the ‘as-is’). A follow-up diagnostic was planned for two years’ time to test the amount of change that had taken place in that period.

There were a number of potential risks to this approach, some of which did, in fact, eventuate. One was a common pitfall: the desired culture was an idealistic, rosy picture of tomorrow, where everyone performed at peak levels all the time, collaborated well, cared for the people and the business and so on. This extreme statement of hope had elements of remedial therapy and was more a reflection on how people felt about the past and the present and the hope for what change might mean for the future. The performance discussion was, in my opinion, still somewhat ungrounded, intangible and idealistic.

My concern with using the longitudinal culture tool to test the change two years later was that it was not going to link to specific business shifts (only culture and behaviour shifts) and it was not going to keep people focused and motivated with specific and tangible business performance changes to which they could be held to account along the way. In addition, I did not believe that investing large amounts of time and money for two years without knowing whether the change was making progress and, more specifically, progress in the right areas was good enough. This seemed to be a common problem faced by long-term culture transformation programs.

1.2.2. Culture diagnostic tools: ‘as-is’ and ‘to-be’ assessments

In the two case studies, different culture diagnostics were used. This gave a clear comparison of the two vastly different orientations – one a behavioural/psychological...
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focus (Human Synergistics Organisational Culture Index), the other a business/commercial and action-orientation (Denison Organisational Culture Survey).

The results authenticated my personal point of view around the need for culture diagnostics to have a business orientation with clear business and performance-oriented steps to close performance gaps. In observing both tools in action, I noted a number of benefits offered by the business-oriented diagnostic tool. Among them, that the Denison reports were accepted easily by the recipients because they were presented in business terms. The reports led to clear and obvious gaps and actions that did not require much analysis time and were easily understood by all staff levels. In addition, the Denison tool required almost no training and minimal new language to be adopted. It also became an excellent vehicle to discuss performance with the CEO, Board and Leadership team. The tool’s focus made sense to senior leaders wanting to look at the organisation’s strategic direction and where the performance gaps lay.

Both diagnostic tools proved effective in identifying the gap between ‘as-is’ and ‘to-be’ thus triggering useful dialogue and motivating people to think (and talk) about the problem and its solution. It was evident that one of the tangential benefits of a culture diagnostic (over and above being a good longitudinal measurement platform) was to provoke useful dialogue within the front line and management teams. Having said that, I found the use of the simple ‘froms’ and ‘tos’ described previously also provided a forum for this dialogue.

1.3. Regular traffic light progress and status reports

A regular traffic light progress and status report proved useful for monitoring culture actions and delivery against milestone and date, risks, specific benefits and quick wins and so on. It also provided a forum which could link into the existing management reporting systems and PMO (Project Management Office), thereby ensuring the culture change was not on the periphery of the organisation’s programs.

A monthly review of the dashboard of culture milestones was monitored using a traffic light system, allowing for immediate escalation for any ‘red’ situation or action. This was a useful vehicle to enforce a holistic view of progress as it ensured the focus was on benefits and outcomes as much as reaching milestones. In one program, the reporting and monitoring process had an interesting cultural effect of creating such a
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strong reaction when progress hit any obstacles that the project team became reluctant to enter any situation as ‘red’. The PMO saw the red flags as evidence of failure rather than as indicators of areas that needed attention. The reporting process revealed a commitment to the idea of ‘looking good’ and direct reports were expected to support this image in the way they appraised tasks. This was another ‘elephant’ in the culture and highlighted the resistance to accountable performance changes to be addressed in both Communications and Leadership Training initiatives.

One of the most successful performance and progress measurement approaches tested was in a smaller, more contained culture change program. In conjunction with the business leader, an HR Scorecard was developed to measure progress, measuring aspects such as the number of times information was shared with the team (collaboration), the number of times root-cause analysis resulted in decreased amounts of queries (quality of service). Measures for tenacity, responsiveness and so on were included as well as more obvious service measures such as query closeout rates and customer-satisfaction ratings. The success of this device became the platform from which increasingly sophisticated behaviour and culture-measurement methods were devised.

1.4. Conducting ‘dipsticks’

Conducting ‘dipsticks’ in the organisation to test progress on certain themes (e.g., the rumour mill) proved useful in some situations. Examples of ‘dipsticks’ included running informal focus groups, interviews and observations, documenting themes and tapping into existing social networks and informal communication forums, rumour mills and so on. Follow-up ‘dipsticks’ involved measuring the trend upwards or downwards in the continuation of these themes.

A less formal but equally successful monitoring vehicle introduced was the establishment of a Change Agent/Leadership group across the organisation which required them to monitor and seek examples of specific trends, issues, themes etc. These agents communicated the progress of the program to the wider organisation, delivered messages of buy-in and resistance by different groups and teams and reinforced the coalitions of support that were being established. A ‘dipstick’ approach using pulse surveys and key ‘go-to’ roles (e.g., HR Managers) was instituted, flagging
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trends or movements in the change process that could then be tapped into with focus groups, interviews or workshops to test the progress in change.

Some measures were surprisingly easy to deploy although they required substantial commitment to the follow-through. One example was the monitoring of feedback on issues in the culture, (e.g. specific behaviours, attitudes, policies or habits etc) which arose as part of workshops, road shows, communication cascades etc. In one implementation, this data was then collated into a comprehensive spreadsheet, the information was sorted into naturally occurring themes and these issues tracked on a longitudinal basis, as the project tackled some of these issues.

1.5. A ‘From’ and ‘To’ behaviour log

In both case studies, a simple tool was designed to use with the Culture Shaper Framework to flush out the changes in behaviour that the organisation would need to undergo. The basic format analysed the behaviours and mindsets that the group needed to move from (‘as-is’ behaviour) and to (the targeted ‘to-be’ behaviour). It proved such an effective way of engaging and loosely tracking behaviour change that I embedded this tool and performance-outcome conversation into the leadership teams and at different levels of the hierarchy within different geographies.

While the ‘froms’ and ‘tos’ changed depending on the level of the organisation, their roles and their sub-culture/s; what emerged was a common list of changes desired across all teams. Results were shared with each group, creating a common ground of agreement and insight into some of the significantly different experiences of other groups or levels within the organisation.
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Table 6: 12 – Example of ‘From-To’ Analysis
Source: C. Kirk – Confidential Organisation

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silo/me/doing it my own way</td>
<td>Integration with whole organisation, who is involved, impact, bigger purpose</td>
</tr>
<tr>
<td>Us and them</td>
<td>We – head office and network</td>
</tr>
<tr>
<td>“Done to me” – ie the change</td>
<td>Involved, embrace</td>
</tr>
<tr>
<td>Safe here and now</td>
<td>Willing to embrace the changes</td>
</tr>
<tr>
<td>Reactive</td>
<td>Proactive</td>
</tr>
<tr>
<td>Passive</td>
<td>Actively engaged and involved</td>
</tr>
<tr>
<td>Resistance, rigidity, blocking</td>
<td>Willing, flexible, can do</td>
</tr>
<tr>
<td>Apathy, too hard, someone else will fix it</td>
<td>Action orientated, innovation</td>
</tr>
<tr>
<td>Working hard, busy</td>
<td>Working smart</td>
</tr>
<tr>
<td>Under delivery/compromising, needing agreement</td>
<td>Tenacious, delivery on commitment</td>
</tr>
<tr>
<td>Internal obsession</td>
<td>External scanning</td>
</tr>
<tr>
<td>Leaders tell</td>
<td>Leaders ask</td>
</tr>
<tr>
<td>Laziness in thinking</td>
<td>Critical thinking, testing the paradigm</td>
</tr>
</tbody>
</table>

Following this success, a further step was taken in another enterprise-wide culture change program, experimenting in ways to measure these shifts. Five separate senior leadership teams needed to gain a quantum shift in performance. It was evident that behaviours and mindsets would need to shift to deliver this performance and as a result the ‘from’ and ‘to’ discussions were carried out within each senior team workshop. Three to four of the critical behavioural shifts were selected by the team, one example being a shift from buck-passing and avoidance to accountability and personal responsibility. The outcome was defined specifically and the critical attitudes, behaviours and actions were identified. This included some quite simple actions such as defining meeting agreements and disciplines (single-point accountability for each action, consequences in place for slipped commitments etc). Measures (albeit some of them less easily quantified than others) for such actions (how many times were commitments achieved versus slipped etc) were identified and progress marked by movement along a spectrum of change – low, medium and high.

In this process, I was first identifying the values that motivated the behaviours and then, by making them concrete and the tasks needed to change the outcomes explicit, the values began to align with the behaviours. The measurement worked to a
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reasonable degree. The process was as good as the group’s tenacity in managing the action plan. If the culture was one of lack of accountability, then it was hard for them to even hold themselves to account to deliver and track progress of the agreed plan. Hence, the groups that could be relied on to manage a plan made progress while those who had a culture of ignoring commitments and not holding each other to account made less progress.

In future, to address this particular phenomenon, some form of supervised action and progress tracking needs to be instituted. Alternatively, I might insist on a culture team member attending the follow-on leadership meetings or arrange team coaching to ensure that the discipline of delivering on the action plan is continued until it becomes second nature to the team to do this tracking themselves.

1.6. Piloting a Culture Governance Board

Another measurement solution that was designed was a Culture Governance Board. The attendees comprised of the CEO, the Sponsor, the Culture Lead and several executive/senior change leaders. It was designed to ensure decisions that were made at a corporate and program level represented the mindset of the new culture and did not unconsciously reinforce the old culture. It was too early for full implementation whilst the change was still underway and hence was difficult to get the senior leaders to give their time to this performance tracking/governance area. On further reflection, I believe I was trying to insert a mechanism from Cynefin’s ‘ordered’ realm into the unordered realm. I was attempting to establish a static oversight control mechanism within a complex, moving and changing landscape. Alternatively, the timing was not right – it was too early in the program to implement such a governance mechanism.

A key role of this Culture Governance Board was to act as the ‘eyes and ears’ of culture. In addition to the Culture Board, I established a group of influential people who were involved in other aspects of change who could take on a role of being the ‘eyes and ears’ of the culture. This required some education and enrolment in the idea of actively influencing projects outside their direct control and collecting information about projects which need to include culture perspectives to ensure a consistent culture message is disseminated and that projects were not reinforcing or establishing behaviours and attitudes that ran counter to the future culture. The ‘eyes and ears’ aspect has been taken up on a number of different projects, having the benefit of not
only enrolling these people as part of the culture change agent coalition, but also acting as an excellent mechanism to track culture activity deep inside the organisation.

One interesting development in one of the organisations was the creation of a new permanent role as a Culture and Diversity Lead. This, on reflection, was a more appropriate response to the stage of culture change the organisation was at. The organisation needed a way to continue to embed culture change and continue to develop leaders’ capability in role modelling the envisioned culture. It achieved a permanent ‘eyes and ears’ role, with a direct link to the CEO and a trusted and respected link to the culture champions and leaders within the organisation. It enabled major decisions to be filtered through the lens of the culture – ‘what impact will this (decision/project/initiative) have on reinforcing the new culture’s direction?’ It acted as a non-intrusive way of sustaining the change that was set up over the preceding 18 months. Finally, it signalled to the organisation that the leadership is fully and actively giving priority to culture as a strategic imperative.

As an update, at the time of completing this thesis, I have been invited back to that organisation to oversee the implementation of the next stage of the culture change program and to support the Culture Governance Board moving to a new level. In order to fulfil its potential, there is a shift necessary from perceiving the Board as a Steering Committee overseeing culture change activity to identifying it as a decision making group with overall responsibility to the CEO of the organisational culture on an ongoing basis.
The second area of focus within each of the culture change programs was to identify the critical behaviours, mindsets and the decision making styles required to bridge the gap between the target state and the current state of the culture. As the questions became more specific, the value lay in helping to move the conversation from theory to organisational reality. In the two case studies, when they began to identify specific behaviours that must shift, the leadership team started to realise how large the gap was between the current and future state. They began to sense the challenges and resistance that would have to be addressed. There was movement from the concept of change to the reality of what had to change.

With the first organisation moving from an entrenched bureaucracy to a high performance, service delivery organisation, the initial conversation around desired performance was carried out in a number of discussions regarding the shifts in behaviours, mindsets and some specific work practices. As these were more clearly articulated, the culture team identified areas of targeted focus as well as areas to track and monitor throughout the life of the program. The organisation was adept at using metrics to demonstrate the process of change that would yield maximum strategic benefit by linking strategy to day-to-day action. One example was a goal to increase a specific area of utilisation to yield $1m per annum. In communicating the goal as a 1% increase in utilisation, and how this could happen, staff was more immediately empowered to take action.
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Table 6: 13 – Success Indicators
Source: C. Kirk – Confidential Organisation

<table>
<thead>
<tr>
<th>Indicators of success</th>
</tr>
</thead>
<tbody>
<tr>
<td>What success will look like from: 88% to 80%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternative courses of action</th>
</tr>
</thead>
<tbody>
<tr>
<td>What changes do we want to make: Increase 1% per year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risks and uncertainty</th>
</tr>
</thead>
<tbody>
<tr>
<td>What resources do we need: IT Platform – rapid uptake</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contingency plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits &amp; Impact: Data and planning tool</td>
</tr>
</tbody>
</table>

One example of a behaviour change program which had outstanding and measurable results was in a greenfield (newly established) global shared service centre. The task was to create a contact centre which was pivotal to a larger transformation in a high-profile global organisation. The strategy was for the contact centre to deliver performance and service improvements and standardise the service delivery. There was no time or budget to deliver a full-scale culture program as the contact centre had to be up and running at a high level of excellence within two months. So, to be expedient, one overarching core behaviour and outcome, Service Excellence, was defined. This had four supporting, measurable behaviours: tenacity, responsiveness, accuracy and collaboration.

The behaviours were linked to the original targets for realising benefits from the performance discussion. These four behaviours were then stepped through a structured and logical process, starting with an assessment of the current state of ‘as-is’ and ‘to-be’, i.e. the gap between how they operated now and how they would need to consistently deliver excellent service. This process identified current mindsets and behaviours to stop as well as others to reinforce. It also identified new behaviours and work practices to be introduced.

The next step was to identify how each behaviour/work practice would be tracked and measured, to answer the question ‘how will we know when we get there?’ and also ‘how will we know the investment has paid off?’ A small intervention was designed
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identifying the culture shapers to be deployed to shift the culture and in doing so ensure the new behaviours were sustainable.

This intervention was designed in partnership with a culturally-aware leader who could model the new behaviours, implement a program to engage the staff with why things needed to be different, design a skills development program and a role play academy to practise the new ways of being and working. New scoreboards were built so that people could individually and collectively track progress against agreed targets, rewarding and publishing wins along the way. This approach resulted in achieving the best service excellence statistics across the organisation when tested against tangible measures such as customer satisfaction levels, percentage of delivery against Service Level Agreements and number of calls successfully closed out within targeted times.

Figure 6: 35 – Sample Operational Scoreboard
Source: C. Kirk – Confidential Organisation
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Initial discussions with the business unit management revealed they had little faith that the team’s behaviours could be changed to meet such high expectations quickly. If previous procedures had been followed, implementing the new organisation structure, staff training in hardware and processes and selecting a competent leader, it was felt the results would mirror previous change projects and fall short of the optimum outcome.

The team’s detailed discussion regarding what exactly would be different provided them with a method by which they could make the change happen. It addressed the often-heard complaint, ‘but how?’ The behaviour change charts provided the basis for ongoing discussion through group tracking of outcomes, while reinforcing engagement with the vision. It facilitated the tracking of success and creative problem solving of obstacles. The team culture became positive and motivated; their staff turnover numbers reduced while the numbers of people wanting to work in that unit increased by a margin well over call centre norms.

I have since used this approach in five or six culture change programs. In each case, I found it both engaged the participants and provided a route map for the journey of change.

This process for engaging groups directly in determining and monitoring their own targets was crucial to the success of this project. Once the group knew what they were trying to achieve, they were energised and engaged in a competitive spirit of achieving their goals. The daily monitoring of results elicited high motivation and engagement while providing a platform for action reviews, an ongoing discussion of what was working and what they could be doing differently.
3. Working with the Culture Shaper Framework – Culture (‘depth’)

In addition to identifying performance goals and specifying the behaviours and decisions required to achieve that performance, it was important to pay close attention directly to the culture of the organisation and its role in maintaining and reinforcing behaviours.

**3.1. Understand the culture – ‘as-is’ and ‘to-be’**

In the two case studies, I sought first to understand the gap between the current culture and the target culture. This involved uncovering the important stories, rituals, cultural heroes, anti-heroes and identities; identifying any organisational attractors and boundaries that might have kept existing behaviours locked into a certain pattern.

Instead of deploying a culture diagnostic up front, we endeavoured to understand the culture by observation, holding detailed interviews with leadership and key influencers and stakeholders at multiple levels of the organisation, conducting intensive workshops to brainstorm the culture and behaviours and so on. This enabled us to gather the culture information needed in a short period of time while increasing engagement, without incurring the cost of diagnostics.
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In the other organisation, a full culture diagnostic of the enterprise was conducted in conjunction with 33 intensive executive interviews. The interview questions were designed using the Culture Shaper Framework, enabling findings to be structured around each shaper and key element of the Framework. This not only ensured completeness of questioning, but also ensured the questions were holistic – covering the I, We and It perspectives (Wilber, 1993). The stories captured during the interviews and corridor conversations ultimately provided the narrative for the culture diagnostic.

It was liberating to learn that the expensive, time-consuming diagnostic matched the same conclusions of the in-depth interviews. This knowledge allows greater flexibility on future projects in relation to the selection of the culture assessment process. This is not to say that the diagnostic should not have taken place. It engaged staff, rather than just a select executive few, and in the collection of feedback, it provided an outlet for voices at every level of the organisation, formed a useful vehicle for discussion, provided a common language and so on. The conclusion at the completion of Phase 3 research was that the qualitative approach enhanced engagement and facilitated a deeper understanding by a large number of influencers and leaders which, in turn, facilitated the change process more rapidly and cost-effectively.

Table 6: 14 – Examples of Correlation of Interview and Diagnostic Results
Source: C. Kirk

<table>
<thead>
<tr>
<th>Diagnostic report</th>
<th>Interview notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correlated to a high Competitive score indicating a propensity to withhold information for personal advantage.</td>
<td>‘It is a secretive organisation’ Sense that an ‘information is power’ culture pervades the organisation. Secrecy and lack of transparency leads to perception of lack of trust and a lack of consultation.</td>
</tr>
<tr>
<td>Correlated to high Conventional and Avoidant scores indicating a high level of control and security-driven decision making</td>
<td>‘This is a risk averse organisation’ Unanimous view the company is a risk averse organisation. There is recognition that this was necessary in the past however has had an impact on the contractual process and established a reputation in the market that it is a difficult company to contract with. Mixed views as to how much this should be relaxed.</td>
</tr>
</tbody>
</table>
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Quantitative data alone does not necessarily give a complete picture and does not engage people in the change process. Most of all, it does not give voice to the longer narratives and metaphors that bind culture and provide the connections between the people who operate within the culture.

Through the collection and dissemination of stories via interviews, Journey Map feedback sessions, open-forum discussions and other two-way communication links, action steps were directly connected to the underlying emotional field of the culture. The purpose and intended outcome of the interventions was more easily understood by the leaders responsible for their implementation, ensuring that they were better informed to communicate the changes to their managers and teams. An unexpected side effect was that the leaders learned new communication skills and built confidence in having conversations that engaged interest and motivation.

3.2. Working with culture – ‘soft’ versus ‘hard’

Working with the implicit values, assumptions and beliefs developed over time by the workforce, reaches into the core of an organisation’s culture. At the outset of Phase 3, it was my opinion that although a culture change project would be easier without having to address the values and the personal development aspect of individual change, if avoided, it would not allow for sustained change. I believed that working directly with culture, the ‘depth’, would be a critical component of the program. To this end, a behaviour change and values specialist consultant was employed for both of the enterprise-wide programs.

Leadership Development programs and coaching sessions were designed to work with individuals and groups, with a direct focus on behaviours, values, beliefs and assumptions. The inclusion of qualitative research methodology provided the means by which the ‘soft’ voice of the culture could inform the ‘hard’ changes necessary. Analysis of the feedback from the Chautauqua sessions, for instance, gave clear insight into the level of understanding and engagement in the change process at all levels of the organisation, in all regions and in all business units. In giving people an opportunity to participate in the change conversation, we harnessed the motivation and commitment of the whole organisation which both supported and put pressure on senior management to ‘walk the talk’.
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Key executives and leaders who attended the behaviour and values initiatives were observed actively engaging in the program. In the process of personal and organisational transformation within workshops, they were seen to make significant behavioural shifts. Where previously there had been a silo mentality (‘I'm only interested in my business’), leaders became involved in cross-regional and cross-unit problem solving and innovation.

Resistance moved to active endorsement when individuals began to understand their own values and find alignment with the organisation’s target culture, values and aspirations. Once leaders could see how their personal and professional goals could be met more easily or effectively within the changes, they became active in promoting the transformation. This was evidenced by the enrolment of over 60 change advocates in a program with an enrolment target of 20.

By contrast, a focus on behaviour change without the deeper (‘soft’) work was trialled in two other change projects undertaken at the same time as the above-mentioned cases. Methods included mandating behaviour change by deploying certain change levers (KPIs, targeted-consequence management, communications to support new behaviours, role modelling and so on). In neither organisation were the deeper and more personal values work deployed. In one organisation, which was structured and hierarchical, habituated to following top-down edicts of change, we found that the focus on behaviour change alone was of limited effectiveness, lasting only as long as the explicit reinforcement regime was in place. In the other case, it had no effect at all.

These results, obtained in different settings over a considerable period, demonstrated clear benefits from focusing on values, attitudes and beliefs as well as behaviour in order to achieve sustainable change.

3.3. Working with the so-called ‘intangibles’ – myths, norms, symbols, stories

In one case, the project plan’s Assess and Design Stages placed considerable focus on the less tangible aspects of culture – myths, practices, norms and symbols. These were observed and analysed to identify what was important in the existing culture, its history and attributes as well as the areas to avoid, those issues to confront and those that might derail the program (the ‘elephants in the room’). Throughout the schedule of executive workshops, the facilitator repeated stories that had been told in previous workshops; stories of how the organisation came to be as successful as it was, what
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went on between the various groups, what the relationship between the Board members was like, what the vision meant to different sectors of the business and so on.

This encouraged participants to tell their own stories, adding to the oral history of the organisation and deepening relationship and understanding across the cross-functional and geographically diverse groups. The stories revealed the source of many of the current behaviours, the relevance of which could be questioned. They indicated historical strengths and abilities that could be re-embodied to address the current situation. They broke down some of the barriers experienced by newer recruits by inviting them to identify with the company’s past.

Sometimes the stories that circulated were destructive, especially if not effectively channelled. In one organisation, the rumour mill was so pervasive that it needed to be brought into the project as a communication channel. The ‘Myth Busters’ program was introduced to directly tackle damaging stories that were taking on the aura of ‘truth’ and were counter to the target culture and strategic direction of the organisation. We found this to be an effective way to manage some of the rumours started by powerful individuals who were inciting further resistance by scaremongering about job losses and redundancies. Using the Myth Buster program, we could bring this out into the open and overtly confirm what was and was not going to happen.

Working with the area of norms and symbols evolved into an interesting Action Research loop which revealed the power of working with myths, symbols etc. In one of the projects, the leadership had commenced some cost-cutting measures, one of which was to dismantle the tearooms. This resulted in conflict and a subsequent ‘downing of tools’. In endeavouring to understand why the workforce was so upset, it was discovered that significant informal decision making, engagement and networking took place in those tearooms. This symbolised the culture’s preference for relationship, collaboration and open communication and, as such, was well established in each of the operational centres.

To disband the tearooms would have not only sent the wrong message, but also have impacted on performance and caused an unnecessary degree of disturbance in the workplace. It would be tantamount to disrupting the social network of the centres and
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their connection to head office. Instead, this was used as a cultural enabler, making the tearoom a more formal part of the culture process. A number of the culture briefing sessions were subsequently held in the tearooms and they became a favoured venue for sorting through group-dynamic problems. For the research, it provided valuable learning on the importance of behaviours that have ritual or symbolic meaning to a group or culture.

4. Working with the culture Framework – Culture Shapers

Figure 6: 37 – Working with the Culture Shapers
Source: IBM, adapted by C. Kirk

4.1. Working directly with the Shapers

As the use of the shapers in Chapter 4 was detailed, and specific examples given within Chapter 5, I will not revisit each shaper and their deployment in this chapter. Working with the shapers made good sense across the nine programs on which I tested the Framework. Shifting behaviours and working with values, beliefs and assumptions alone, without addressing the operational environment in which they work, will create mismatches between expected behaviours and the processes that both support and define behaviours.

For example, staff members may return from personal training sessions to find they no longer feel they ‘fit’. Their rewards and KPIs don’t match their new attitudes and ways
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of thinking, the policies, systems and technologies get in the way of behaving in new ways, the way the leaders conduct themselves is at odds with the stated direction, poor role models are promoted and so on.

When working with the shapers in relation to culture change, I was working on the structural mechanics of the organisation. This entails ensuring the strategy and the envisioned culture reinforce each other, the leadership is capable of modelling culturally consistent behaviours, the communications processes connect and serve the task and social needs of the workforce and customers, the people are engaged and aligned behind the vision, there are values-aligned people practices, the development of skills and capabilities to sustain the future, working with the systems, processes and technology upgrades to ensure maximum utilisation and culture alignment. Ultimately the people practices, systems and technology need to be aligned to reinforce people to behave and make decisions in specific ways, and be rewarded for doing so.

If all shapers are utilised within an implementation, the culture team will be oriented towards ensuring the approach is integrated. There will be a focus on I – We – It (Wilber), internal and external, stable and flexible (Denison) and the alignment between systems, people and vision/strategy (Denison). The program will be steered towards being more holistic in its approach.

4.2. The team reflecting the shapers

At this point, the culture team’s roles can be structured around the shapers, with, for example, one member being accountable for aligning the HR Practices, embedding a Performance Management System and consequence management practices that reinforce the desired ways of working. Another member can be responsible for capability development, aligning existing leadership development programs to the future ‘to-be’ state and designing and implementing purpose-built, capability-development programs for senior and middle management. A communications specialist builds new communications channels, oversee the development of a holistic Journey Map and subsequent change engagement programs. The team needs to be able to expand and shrink as it needs to focus on specific shapers at different stages of the program, inviting in subject matter experts to represent Technology, Strategy and Operations (Systems & Processes) as the priorities shift.
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In each case study, this proved an effective and efficient way of resourcing the culture program and ensuring specialised focus on key aspects of the Culture Shaper Framework in a co-ordinated and timely manner.

5. Refining the Culture Shaper Framework – the third generation

Applying the Framework to guide the design and delivery of culture change projects yielded sound results that were replicated in a number of transformation programs. Having carefully developed the Culture Shaper Framework over many years, then trialled and refined it in a number of settings, it seemed I was indeed finding ways to navigate the culture change complexities.

As a result of the Action Research process, a number of additional elements arose that would improve the Culture Shaper Framework. Three examples are Financial, Brand and External Environment.

5.1. Financial

Finance is a significant shaper of what is being paid attention to. In an organisation with a primary focus on metrics, the company can lose sight of the customer, the staff and investment in the culture. In an organisation which focuses on short-term return, any long-term investment is likely to be continually placed at risk. Finance is often a significant power base in deciding if funding will be allocated to a culture program and if so, how much. At the very least, Finance needs to be treated as a major stakeholder to be managed in a culture change program.

5.2. Brand

A second shaper to be included was that of Brand. In the second of the two case studies, brand was an area of the business which needed development, primarily in response to a merger underway at the time. Previously, I had unconsciously incorporated brand in the Communication and Engagement Shaper. However, experience from the second case study emphasised the importance of brand as a direct shaper of culture, behaviours and, thereby, performance. Further, it highlighted the fact that of all the elements I had been working with, most were internally focused.
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Brand was the only shaper that directly linked the activity of the business with the customer. Other shapers (e.g., HR Practices, Communications, Systems and Processes and Behaviours) either indirectly or implicitly indicated the customer. However, they did not bring the customer’s voice directly into the design of the culture change. I could imagine situations where a culture change design could negatively impact on the brand and therefore customer relationship. Including Brand as a shaper brings attention to this important consideration of culture change and ensures that the culture and behaviours enhance the customer experience.

5.3. Performance in the context of purpose and external environment

The focus on brand led to a renewed focus on the Performance Shaper and its direct connection to Purpose and Strategy which itself is influenced by the external environment. Increasingly, organisations are looking to, or are being required to look toward society’s changing expectations of business and its responsibility within the larger social agenda. Ultimately, to keep the organisation and its culture externally fit, there needed to be linkages created between performance, the customer and the overall purpose of the organisation that reflected the pressures of the external environment.

In both case studies, the external environment impacted directly and immediately on the change program, demonstrating the relevance of this perspective. These impacts included redundancies, large-scale revenue loss through stalled client projects, and preparation for possible change of government, unsteady economic conditions and rapidly increasing levels of global competition. Because of the network of influence the change teams had developed, they were able to work effectively with all parts of the business and all shapers to adapt to the changing situation whilst maintaining the transformative process.

5.4. The third generation Framework – the integrated Culture Shaper Framework

The successful culmination of both projects and subsequent reflection catalysed a review and update of the Framework. The third generation of the Culture Shaper Framework was developed to take into account the essential focus on external, customer and organisational purpose, whilst including several new shapers.
Adding the rings within the bull’s eye target (Performance, Customer, Purpose and External Environment) is essential for the health of the organisation’s future. In adding specificity of performance within the context of Customer, Purpose and External Environment, it actively counteracts the risk of delivering a culture program which is internally-oriented, to the exclusion of the external stakeholders, customers, suppliers, shareholders and so on. This is a common failing observed in culture change implementations and became evident through initial identification of Performance objectives. The habit of focussing internally meant it was rare for individuals or groups to identify Customer, for instance, as a performance parameter except in terms of increasing sales.

The purpose of the transformation in relation to the overall organisational purpose was referred to infrequently. When included in Performance discussions, this area often provided clarity on the direction and vision of the change required. As an example, one organisation, when specifically questioned about purpose, reiterated its purpose as providing infrastructure that served the communal needs of human beings, buildings,
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bridges, ports, etc. The business rejuvenation clearly served this end and could be placed within that context.

In the first case study, the purpose of the transformation was commercialisation. This was embedded into the core of the program’s initiatives. The customer issue was around increased competition, an aspect raised as a focus for all capability development forums and communication and engagement initiatives. The current environment facing the organisation at the time of the transformation was a complete change in business model within the context of an Enterprise Agreement process and a federal election, both of which had substantial impact on the culture change approach, timing, risks to manage and priorities to roll out.

In the second case study example, the purpose of the transformation was globalisation which was built into the majority of the shapers within the program – communications, engagement and case for change, capability development and so on. The customer issue was one of increased competition and a maturing customer base, thus the development initiatives needed to include programs for commercial acumen, business savvy training, etc. The environment was one of substantial reorganisation, an end-to-end restructure, with the Global Financial Crisis in the middle of the rollout. All these factors needed to be reflected in the core of the project plan, otherwise the program would ultimately be seen and treated as superfluous.

5.5. Mapping the interventions against the coverage of the integrated Culture Shaper Framework

As part of the Action Research reflection around the Culture Shaper Framework, I mapped a number of core interventions (as discussed in Chapter 5) within each project stage (Assess, Design, etc) and to each Shaper and element in the Shaper Framework (including myths, practices and so on).

Interestingly, and worthy of further study, of the examples chosen to illustrate the program, the activities that indicated the highest leverage (that is, the greatest number of elements of the Culture Shaper Framework the intervention addressed), were those that brought people together to work on a common problem such as Think Tanks, Champion Groups, Chautauqua Road shows, Journey Map cascades and others.
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These proved, on reflection, to be what I intuitively believed them to be: high-leverage interventions that essentially underlined the value of the holistic I/We-It approach.

5.6. Working directly on culture – indirectly

Vertical Takeoff (1999), the story of British Aerospace’s (BA’s) transformation refers to the idea of ‘working directly on the culture indirectly’. I recognised that it was possible to work on culture by not focusing directly on the values, assumptions and beliefs etc, by using the culture shapers that indirectly underpin and reinforce new ways of operating. In other words, working directly on the culture, indirectly. This was something I tested and reflected on throughout the journey through Chapter 5’s case studies.

BA had, paradoxically, achieved an authentic culture transformation not by focusing purely and directly on the culture, but more indirectly, working with the ‘culture shapers’ — structural elements that shape, reflect and reinforce culture. Their success did not rely solely on working with new values and beliefs, but also on specific, practical, tangible changes to the shapers of culture. Equally, the values are implicit in every activity and can thus be reinforced or evolved through every shaper change.

5.7. ‘Soft’ and ‘Hard’

For over 10 years, I had been questioning the need to work either with vision, values and symbols of culture, the intangible aspects that captured hearts but did not seem to add direct value to performance; or to work with shapers and drivers in companies who were even squeamish about the word ‘culture’. In interviewing the CEOs as part of Chapter 3’s research, I experienced a profound insight, namely, that I could do both; that in fact both were necessary to a genuine, sustainable culture change as both are needed to maintain functionality — it is about working with the ‘AND’.

Although this insight was personally liberating, it was not a comfortable conclusion for a consultant working within an organisation with a focus on the integration of systems and processes as the shapers of business. The consultancy was not staffed or organised to provide both. However, the more I thought about it and reflected on my experience to date, the more I knew this dual approach was critical. Even today I see
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examples where favouring soft over hard or (vice versa) suffer for lack of the balancing element.

I am currently observing examples where banks, having focused on customer service with an emphasis on people skills and being pleasant to customers, are let down by a lack of flexibility in the system and a focus on risk control, making them unable to respond to customers’ needs. Staff members are caught in the middle of an undeliverable promise and irate customers who have no one to complain to because everyone’s so ‘friendly’. In other settings it is not uncommon to find that companies with aggressive sales’ cultures may perform at high levels only to remain stressful places in which to work with subsequent high staff costs.

Elements of this thinking influenced my work. Stakeholder engagement was higher because task-focused people could see that changes to the shapers would achieve the results they sought and people-focused individuals were happy that the psychological and behavioural elements were included.

My observation is that this ‘AND’ approach is relatively leading edge thinking inside projects. Few organisations that work with culture change can do both aspects well. They tend to excel in one aspect or the other and to provide solutions according to their particular bias. Companies requiring culture work are equally unaware of the interdependence of the tangible and intangible elements of culture and how they can be shifted to transform the workplace. However, if either of them or any of the shapers is missed, there is a risk that a sustainable high performance environment will not be built.

5.8. Culture as it relates to behaviours and shapers

In developing the culture model, much time was spent considering the question of whether this whole Framework (including the shapers) could be deemed to be ‘culture’, (or whether culture was just the ‘pure’ depth elements of values, assumptions, beliefs, myths and norms). I eventually concluded that ‘pure’ culture lies specifically in the domain of the values, beliefs, assumptions and expectations shared by its members. Some would argue that role models, rituals, routines, stories, myths, symbols, language are culture. However, in my opinion, culture is both expressed and
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influenced by its manifestations, (symbols, practices, norms, myths and stories), which act as reinforcers and communicators of culture.

In discussion with other change consultants, some believe that culture is comprised of factors such as structure and control mechanisms and remuneration mechanisms. Again, from my experience, these are part of the operational mechanisms - strategy, leadership, engagement, systems, structures, processes and technology (shapers) that flank, influence, guide and reinforce culture; they are not ‘essential’ factors of culture. The direction of influence is by no means one way; the shapers influence the culture, just as the culture influences the shapers. And of course, it does not stop simply with bi-directional impacts.

The conclusion I came to around behaviours (and decisions as an aspect of behaviour) was that culture shapes peoples’ behaviours, and in this way, acts as both an outcome of culture and as a symptom of culture. This phenomenon can be observed in how quickly people adapt to a new culture when they join a company. As a consultant, regularly joining intact cultures, I notice how much attention I devote to working out how things work and how quickly I adopt the limitations and adapt to the expectations set by the culture and its unwritten rules. I have had to make a conscious decision to maintain some separation so that I can be of use to the company in which I am working and not identify with the culture.

6. In Summary

While there is no right way to implement culture change, there are many ways to implement it poorly. Having spent so long researching the foundations of culture in order to find my own pragmatic approach to changing organisational culture, I found it valuable to put other theories and my own developing points of view into action. In each program, I developed a pattern of reflecting, reviewing progress and learning, adjusting and refining the approach and sometimes taking dynamic action to shift course.

The Culture Shaper Framework has now evolved into a model that provides a firm foundation for the design of a whole-enterprise culture change. I have used the Framework many times, in different ways and have found it to be a flexible and holistic
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model to establish a comprehensive approach to change, provide direction and performance outcomes and ensure both the tangible and intangible qualities are accounted for in implementing culture change.

The key does not lie in a culture model alone. The Framework became a significant enabler for changing culture; one that provided discipline in questioning, assessing, designing and implementing the change. The real ‘art’ was defined by the experience and wisdom of the change practitioner applying the model.

I believe each culture change practitioner, in deploying a culture framework of any sort, needs to reflect on what I refer to as their ‘wisdom maps’ and ‘wisdom principles’ that they are consciously or unconsciously using to influence their approach to culture change. This helps to identify where there might be gaps in their attempts to approach the transformation holistically, where their biases may reside, where their blind spots may be, or where they may attain insight into why an intervention is failing and so on.

Applying models such as Cynefin, Wilber’s I-We-It, Managing the AND are critical to ‘forcing’ a holistic approach to culture change. It is the potent combination of an experienced culture change practitioner, who knows their blind spots and biases, using a model such as the Culture Shaper Framework, committed to being holistic and agile in approach, that enables the successful navigation of the culture change journey.

In the concluding chapter, I revisit the original questions and distil and summarise some of the pertinent learnings and reflect on navigating the complexities of culture change.
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0. Introduction

0.1. Key questions that guided the research

While a number of questions underpinned this research, two remained central throughout the process.

- Does culture impact performance? What do leaders see as the role of culture in their organisations?
- How can the complexities of culture change be navigated? Is there a reliable method of successful and sustainable culture change? (Or is it, in fact, a search for the ‘mythical grail’?!) 

1. Navigating the Complexities

1.1. Culture change – a complex problem to solve

At the conclusion of the Action Research, I found culture change needed to be a holistic pragmatic exercise, embracing the organisation’s history, its present state and its future vision. The case studies reinforced the principle that the change work also required focus on the individual, the people, teams and business units and the organisational entity and structure itself; the ‘I’, ‘We’ and ‘It’ (Wilber 1996), and all simultaneously. The programs required careful navigation through both internal and external change, whilst maintaining profitable and sustainable performance … a balance of agility and stability.

1.2. Culture Change – issues and gaps

From the initial literature research, a number of unresolved issues and gaps remained. These included

- A predilection of culture change practitioners towards either/or thinking around working with hard/soft aspects of culture change, at the expense of the whole change program’s success.
- The difficulty in establishing direct links between culture and bottom-line performance, especially when the data necessary for quantitative research that would prove the connection is not readily available.
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- The divergence between the research literature, which demonstrates links between culture and performance, and the dominant thinking of business managers and executives who don’t accept it, often resulting in culture not being viewed from a strategic point of view as an opportunity to shift performance.

- The bias within some organisations towards internally focused culture change while ignoring the external environment, especially the customer - to the detriment of the success of the program and, in some cases to the organisation itself.

- A relative lack of knowledge of contemporary Australia/New Zealand leadership opinion about culture and its relationship with performance and a theory-to-practice gap between the excellent depth of culture thinking and research that exists in the field and the apparent inability of organisations to deliver successful, sustained culture change. Although the knowledge is available, it is not necessarily applied.

The development and application of the Culture Shaper Framework was intended to address these issues, ultimately striving to address culture change from a holistic perspective. While it was highly successful in most of them, (shifting practitioners from either/or thinking to ‘And’ thinking, establishing links between culture and performance, reinforcing an external focus), I believe there is still a preference by many leaders in Australia/New Zealand to ignore culture as a strategic focus. Even when it is included, the purpose is to enable the execution of strategy rather than seeing culture as a strategic or competitive advantage. First-hand experience from my consultancy work suggests that a number of cultures are still not positioning their organisations to be agile, customer-centric, innovative and resilient for the volatility of the future.

2. Insights from the journey

2.1. Culture and Performance

Two studies that took place during this research both placed culture at the centre of business performance.

The senior executives and board members surveyed (A/NZ CEO and Chairperson Survey, IBM 2002) clearly identified culture as a strategic performance opportunity,
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drawing links between culture and bottom-line performance. This was unanimous. They saw no choice in needing to focus on delivering both short and long term performance and culture was central to this focus.

The Making Change Work Survey (IBM 2008) placed culture at the centre of change success/failure by finding that 66% of all major programs in Australia/New Zealand failed to deliver their benefits; with culture, mindsets and attitudes being the top two disablers of change.

In response to these findings, performance was central to the Culture Shaper Framework, being placed at the centre ‘bulls-eye’ of the model’s ‘target’. In each of the transformations, performance was introduced as a pivotal aspect of the initial senior leadership discussions around culture and was embedded in various tracking mechanisms and within specific shaper initiatives along the change journey.

There are many reasons for an organisation to avoid embarking on or sustaining a culture change. The process demands courage, leadership, tenacity and substantial financial and operational risk. There are also many reasons to tackle culture change. According to the leaders interviewed (A/NZ CEO and Chairperson Survey, IBM 2002), those reasons are embedded in delivering improved performance and long-term organisational viability.

2.2. Holistic – ‘Managing the AND’

The leaders brought to the surface a number of business-based, fundamental either/or conflicts and dilemmas that continually needed to be navigated and acted on. Examples included the stress of delivering short-term performance whilst needing to ensure long-term investment in the business’ culture and overall future direction; the need to build agile and flexible capabilities whilst ensuring the ongoing stability and discipline of the organisation. The leaders interviewed expressed a need to develop ‘looser’, more fluid organisation structures to enable better collaboration, alliances and empowerment at lower levels without losing control of the organisation. In each case, the leaders cited culture as pivotal.

The ‘Managing the AND’ model was designed to help leaders articulate and deal with the major paradoxes their organisation faced and in doing so, allow the culture change
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program to focus on addressing some of these conflicts. It also acted as an educational vehicle to start to shift some leaders’ thinking from black and white ‘either-or’ to more holistic and complex ways of problem solving. Effectively, this was a mechanism to help people move from Cynefin’s ordered thinking, the Known and Knowable domains, to unordered thinking, the Complexity and Chaos domains. Such ways of thinking are essential if leaders are to be confident in leading culture change themselves.

2.3. Bringing the ‘Soft’ and the ‘Hard’ together

In deliberating over the theories of researchers from the literature review (Cameron & Quinn, 2011; Deal & Kennedy, 2000; Evans & Price, 1999; Schein, 2010; Trompenaars, 1998; and others), it was evident that working with the ‘soft’ (depth) aspects, the values and the deeper, meaning-making processes of individuals and groups, was essential to effective change. Schein’s opinion was that if we do not understand what is going on at the deeper level “we cannot really decipher the meaning of the more surface phenomena, and, worse, we might misinterpret them because of the likelihood that we will project our own cultural biases onto the observed phenomena” (Schein 2010 p 35).

But what about the ‘hard’, mechanistic, operational (‘surface’) shapers? Is it an either-or question? Is it a case of working with just the ‘pure’ culture aspects of values and assumptions or should we work with the more indirect, organisational structural shapers?

A number of leaders interviewed (A/NZ CEO and Chairperson Survey, IBM 2002) recognised that while the ‘soft’, less tangible areas of culture was a more complex and difficult area and one not well appreciated by other executives, it was an essential area of investment, and increasingly so in the future. Some went further to emphasise the need for a ‘whole systems’ approach to culture change; the ‘hard’, tangible operational mechanisms (KPIs, organisation structures and so on) needing to reinforce the direction the culture was taking … the ‘hard’ and ‘soft’ in sync.

My conclusion is that, although some researchers tend to be dismissive of the structural shapers, this soft/hard (surface/depth) disparity needs to be bridged if culture change is to be sustained over the long term and embedded into the organisational
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systems and structures. As mentioned earlier, some authors do refer to the need for someone to work with organisational structures to reinforce the changed culture but mention it in passing as a single step within their approach to culture change, leaving it as something managers need to ‘attend to’. Equally, people whose preferences lean toward the deeper levels of culture, the beliefs and assumptions that underlie behaviours, seem to prioritise the culture diagnosis and analysis whilst underestimating the action necessary to make the change happen.

There is a significant level of activity, skill and courage involved in changing these shapers … designing, planning and implementing the systems and training new behaviours. It is uncommon practice to change them in an integrated manner. HR will concern itself with the people practices, IT with its technology and process re-engineering, Finance with its measures of success and tracking, the Executive with its focus on investment to drive the strategy and so on.

What is needed is to execute and manage an integrated approach, ideally under the ultimate accountability of one team and one major sponsor, and the Culture Shaper Framework to guide and reinforce this integrated approach. When viewing both soft and hard aspects of culture through a single lens via the Culture Shaper Framework, I have come to the conclusion that depth and surface is a more accurate and useful description of these polarities. From this perspective, both culture and shapers are held as one unified lens through which to assess and manage culture and culture change. This lens ensures that both dimensions are encompassed, to varying degrees in any culture change process.

2.4. Working holistically with culture change – simultaneously

One of the great challenges of culture change is to work with the whole system - culture, behaviours and the majority of, or ideally all the shapers, and often in parallel.

A logical and more manageable approach may suggest delivering the culture change in a sequential manner. For example starting with a Culture Diagnostic Survey, followed by a values rollout and communications campaign, followed by some form of capability development program, followed potentially by a performance management rollout; and so on. However, this is slow and could be counter-productive. With a lack of alignment between the change and shaper elements, mixed signals and messages
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will result in people being unsure how to behave, resistance will be allowed to flourish, and momentum can stall.

I have found the ideal is to ensure multiple elements of the Culture Shaper Framework are deployed simultaneously. In doing this, the shapers can be integrated with each other, informed and reinforced by each other, new behavioural norms could be established more quickly (by the reinforcement of the changing shapers) and the key messages of the culture vision reinforced through an integrated communication strategy and engagement campaign. A large percentage of the population could be touched by the change (for example, many of the HR processes impact 100% of the population immediately) and the change is less easily blocked by the habits of the ‘as-is’ culture. Ultimately, benefits could be released earlier, thereby further supporting the momentum of the change.

Although culture change is seen to take a long time, using the Culture Shaper Framework to focus on simultaneous changes across a large range of shapers means that culture change across a critical mass can be delivered and embedded more quickly.

2.5. Embedding the change

Even having found a way to design and integrate the surface and depth, the indirect change of culture (via organisational shapers and behaviours) and the direct change (via assumptions and values), there seems to be an additional crucial gap in the culture change literature. This is the area of implementation of the change in the day-to-day practices and fabric of the organisation.

I have identified few researchers who discuss the need for formal culture change governance and integration as a critical success factor. Yet I have experienced a number of well-designed, well-integrated changes programs and some exemplary values-engagement and assumption-challenging workshops that fail to deliver precisely because there is little effective governance and follow through. While the interventions were a high quality, little changed in the long term.

How to resolve the gap between the activity of culture change and the embedding of long term changes to the culture and its way of operating? The answer lies in
dedicated, tenacious implementation and change leadership and I believe this has to be formalised. The Culture Lead needs to ensure there is some implementation ‘glue’, a governance process that reinforces the changes with utmost tenacity and follow-up, over an extended period of time. The detailed skills, tools and knowledge of change management can be woven into the culture change program from the beginning and reinforced at each stage or phase of the transformation. Further, a central program management office can co-ordinate all the change activity currently being rolled out across the organisation to ensure each program monitors both culture and climate status and facilitates integration and embedding of change activity.

2.6. The ‘elements’ of culture

An issue that remained unresolved for me in the literature was the relationship between behaviours and culture. Are behaviours and shapers just artefacts to help diagnose a culture or are they in fact much more in helping deliver holistic integrated culture change? This is not an esoteric, theoretical argument. It is important because there is a tendency for some researchers (eg Martin, 2002 and others) describing the culture change process to focus on working directly with the depth of culture, whilst seeming to diminish the priority and value of also working with behaviours and ‘surface’ operational shapers.

I now define the elements of culture (the ‘cultural superstructure’) as being the intrinsic internal values, assumptions and beliefs within an organisation – the depth. Like Schein’s three level model (2010), culture also includes the more easily observable culture artefacts. In working with culture change, I place behaviours as separate from culture, however very closely linked. Behaviours are both an artefact in that they give an indication of the deeper-seated values and assumptions, and, at the same time, they are aspects that can be focused on directly as part of culture change. In a similar manner, I position the operational and structural shapers (the ‘structural base’ of organisation structures, HR practices, KPIs and so on) as the ‘superstructure’, all in the area of ‘surface’, very close to the cultural superstructure – but not part of it.

In working with changing culture, the areas of depth, ie culture (values, assumptions and beliefs) and the areas of surface (ie behaviours) and operational shapers (the ‘structural base’ of organisation structures, HR practices, KPIs and so on) need to be worked with directly and simultaneously. They need to be in alignment. In addition, all
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of this change needs to take place in the context of the external environment and the organisation's performance strategy, ie the reason the culture change is taking place.

Culture change requires a simultaneous focus on Wilber’s ‘I-We-It’. In working directly on culture, on the intangible side of culture change, the focus is on the individual ('I') and their relationship within the collective ('We'); their beliefs, values and assumptions and therefore, their personal development. In broadening the focus to the more tangible surface aspects of change (the operational structures and shapers), the focus is on working with the ‘It’, the organisation itself. This is the holistic (or as Wilber refers to it as the ‘holonic’) approach to change.

In summary, integrated, holistic culture change needs to bring all four of these organisational aspects together:

- the culture itself
- the behaviours
- the operational and structural shapers
- within the context of the external environment and performance sought.

To bring the I/We/It focus into play, all four aspects need to come together which involves working directly on the culture through values and assumptions, indirectly on the culture through the operational structures/shapers and with behaviours in order to support an organisation adapting more readily to the external environment.

3. The Culture Shaper Framework

3.1. A model to navigate the complexities

The Culture Shaper Framework was developed from an early simple IBM model (with its origins in PwC). Employing a Grounded Theory approach to test the original model revealed areas of further development needed to build a cohesive holistic model. New elements such as the External and Customer influences, with Performance as a focal point and a number of additional shapers were added, (specifically Brand, External Forces, Engagement, Skills and Capabilities, Systems and Processes, Technology). These additions enabled a focused holistic approach with an inclusion of ‘all’ rather than a ‘pick and choose’ approach. The model allowed for a more integrated and
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controlled approach to large-scale change while enabling flexibility and agility for designing interventions.

The Framework was scalable, applicable to the design of whole-enterprise culture change as well as smaller, targeted culture change projects. Key to its success in all settings was its emphasis on performance as a key business requirement. Used to its full extent within the case studies, this Framework prompted the culture change lead and practitioner teams to develop and deploy a holistic program. I observed that the teams were using the Framework to resolve some of the ‘Managing the AND’ dilemmas, holding both the depth (‘soft’) and surface (‘hard’) levers as equal in possibility for intervention. The change leads reported being able to work with hard-edged performance outcomes while maintaining attention on the process of culture change; using the Framework to explain what was happening to other executives and managers. This established a mindset among change agents of approaching the culture change itself in the realms of both external and internal needs.

In both programs, it reinforced the need to focus on the ‘I, We, and It’ – the individual, the collective inside the organisation, the organisation itself and the collective outside the organisation (the customer, competition, business alliances and the larger social context). Each intervention was planned relative to the needs of individuals at all levels of the organisation; the impact of the change on teams, groups and sub cultures within the organisation and always within the context of the effect of the intervention directly on customers, indirectly on competitors and strategic partnerships (eg outsourced operations functions) and on the relationship with government and the marketplace in general.

3.2. Culture Shaper Framework – more than just a model

In the case studies, the model was found to be particularly useful as an educational tool and roadmap. It helped to identify gaps and ‘elephants in the room’; it provided a generative basis for conducting conversations with Board members and senior executives; a means of discussing performance, communicating the change vision and of designing a holistic project plan.

As a roadmap, it forced connection between seemingly disparate operations of the business and quality assurance mechanisms that gauge project health. It also acted as
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a steering mechanism ensuring the right skills were brought into the cross-functional change team.

Considered in relation to existing theories of organisational culture, the Culture Shaper Framework also provided a method (or a basis for a method); a ‘how to’ outline, structure and toolkit by which the specific elements that reinforce culture could be addressed. It went some way toward systematising an approach to culture change – where to start, what areas to address, key aspects to include in the plan, foundations of governance and so on.

In providing a map of the planned direction, the risks and expectations needing to be managed, the priority shapers to be deployed while integrating the activity within existing organisation initiatives, the Framework proved to act as an important stabiliser. One risk in conducting such transformation of simultaneous multiple change interventions is that chaos could ensue or the program could be stopped as a reaction to the complexity of the change. In the case studies, it was observed that the Framework (by giving a snapshot of the progress within each change area inside the ‘whole business system’ of change) acted as a way of maintaining stability within the change, providing a means to help manage the emotional reaction and potential overwhelm the organisation may experience.

A culture change plan tends to be a plan based on a single point in time, relying often on sequential activities, operating out of Cynefin’s ‘ordered’ domains of ‘empirically Known’ and ‘Knowable’ (Snowden, 2007); with a finite closure point. The Culture Shaper Framework, on the other hand, acts more as a central holistic dashboard giving the ability to see the ‘whole’, the connections and the parts that are changing – at any one time (operating out of the ‘unordered’ Complexity and Chaos domains of Cynefin). At a high level, the Framework acts as a holistic culture-monitor. Ultimately, with some detailed dashboards developed behind each shaper and culture element within the model, it could act as an integrated control centre for complex change.

Where most culture programs rely on ongoing baseline measurement via some form of culture diagnostic (focusing predominantly on values and behaviours), the Culture Shaper Framework expands the opportunity to track progress both directly on the culture (values and behaviours) as well as indirectly focusing on the progress of specific shapers, performance and external aspects of the culture.
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3.3. Comparing the Culture Shaper Framework with others

In exploring the different models and approaches, an evolution of thinking is evident in arriving at the Culture Shaper Model. The lineage of the Culture Shaper Framework includes some of the earlier anthropological perspectives of culture (Schein, 2010), with an increasing focus on balancing this with various ‘surface’ operational shapers (Cameron & Quinn, 2011; Tosti & Jackson, 1994; Denison, 2000) and supporting this with an external and performance-orientation (Carlopio, 2003; Denison, 2000).

It is with the addition of two models that were ironically never designed for culture change that the holistic picture becomes more complete. Cynefin’s unordered domains of chaos and complexity (Cynefin, 2002) recognised the complexity of culture change and helped to ensure any change program was not designed simplistically in the ordered realms of empirically known and knowable. Wilber’s 4Q model of I, We, It (Wilber, 1996) offered me a benchmark mechanism to ensure the culture change framework I designed was sufficiently holistic – any solution designed needed to take into account the interior and exterior perspectives whilst simultaneously accounting for the individual and collective domains. In my opinion, for culture change to work, a framework needs to aspire to practically address these holistic perspectives and recognise the complexity of the culture change environment. The Culture Shaper Framework endeavours to do this.

In 1982, Deal and Kennedy challenged the “myth that cultural change can be managed” (p. 35). While it is evident that culture change cannot be managed simply as an ordered, sequential management of change (Cynefin’s right quadrant, ‘empirically knowable’ quadrant), to suggest that the complex process of culture change cannot be managed at all is misleading. Although culture change is inherently a complex and chaotic undertaking (Cynefin’s left ‘unordered’ quadrants), the Culture Shaper Framework allows for the flexibility to adjust and adapt culture change on a weekly or even daily basis, responsive to changing data, continual progress checks and balances. The Model allows for the focus on the deep seated layers of culture as well as the more mechanistic, operational shapers. It is not useful for culture change to be focusing on ‘soft’ and not balancing the focus with the ‘hard’. The Shaper Framework reinforces a focus on both.
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Compared with models such as Tosti and Jackson’s (1994) emphasis on vision, mission, goals and objectives, the Culture Shaper Framework includes more internal shapers (technology, process, engagement, brand, communications, financials) and also orients the organisation more deliberately to the external influencers through performance, customer, purpose and the external environment, providing the information necessary for innovation and adaptation. Targeting the change across multiple shapers, with a number of specialised teams driving the change concurrently, results in faster change with more momentum. It also quickly engages a larger group of champions in understanding and promoting the change objectives. Using this approach in both case studies achieved major transformations in unexpectedly short time frames.

In contrast with the view of Evans and Price (1999) who prioritise an emphasis on values, leadership, strategy and communication to operationalise change, the Culture Shaper Framework does not rely on values work having to take place up front. Outlining the framework at the beginning of the project enables the introduction of values work to be relevant to the organisation’s culture and issues. Where values are already embedded (as in Case 1, Chapters 5 and 6), then the Culture Shaper Framework approach would consolidate language and action behind the pre-existing values and so would not need to reproduce any of the values work. The Framework allows for an ‘agnostic’ approach, enabling the culture change program to be influenced or dictated by the organisations’ strategic priorities and mandates – selecting any one, or combination of, the shapers and/or culture elements to be the focus.

The Culture Shaper Framework clearly addresses the actual work the managers have to carry out to align the organisation’s systems and processes to a changing culture. This constitutes an important step beyond a number of researchers’ direct focus on culture (the ‘depth’ via the assumptions, beliefs and values), wherein there is less focus on the indirect (‘surface’) aspects (via the operational shapers).

In my experience within large scale culture change initiatives, insisting on a disciplined and rigorous process of addressing the shapers is essential to ensure sufficient depth and nuance in the initial culture investigation and to enable interventions to be designed to strike at the heart of the change. The Culture Shaper Framework provides tangible and explicit means for ensuring that changes in organisational culture are
embedded and expressed in the day-to-day activity of the organisation, thus reducing the potential for the diminishment of the culture message.

The Culture Shaper Framework provides some discipline in operational aspects of culture change, prompting for 16 different areas of focus that need to be (at the very least) reviewed as part of designing the changes required. In doing so, it articulates the types of skills needed in the working teams to ensure there is rigour in the implementation. From my observation, this shaper change work is an area of common failure and needs disciplined rigour and oversight from culture specialists to support and drive the most unpalatable changes.

Without this kind of attention, there is a likelihood that some working groups and initiatives will not be skilled enough in ways to combat the culture’s resistance and will be at risk of designing change that is more ‘politically acceptable’ to the prevailing culture; resulting in compromises being made. When changes are recommended by people within the culture, blind-spots will be inevitable. The Culture Shaper Framework seeks to safeguard against this by ensuring all shapers are reviewed and that ultimate accountability for the holistic change remains with the culture team.

Since the central culture change team (using the Shaper Framework) is accountable for the governance of the whole culture change, any management team working on the operational shapers does so under the specialist direction of the change team. This helps resolve a number of issues in work teams not taking on the tough counter-cultural decisions, not having the tenacity to fight the resistance and so on. The operational shaper (‘surface’) work is not an area to be delegated as an output of the culture work of values, assumptions and beliefs. The shaper work needs to take as central a role and be done in parallel with as much priority as the ‘direct’ (‘depth’) culture work.

I have observed a number of culture change failures taking place because not enough focus was placed on the holistic change – bridging ‘depth’ and ‘surface’ change; and also from projects which ‘complete’ too early – not allowing for the sustained embedding of the change. It is the combination of a holistic approach, using a holistic culture framework with a tenacious and accountable culture team that helps avoid some of these common reasons for failure.
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4. Tangible benefits over time

The Culture Shaper Framework, as tested in the two case studies, proved to deliver successful and sustainable culture change, contributing to tangible benefits for both organisations. In the first case study, there was a consistent growth in earnings over the period of the transformation. Although the Global Financial Crisis (GFC) and concurrent government regulatory changes had an immediate impact on revenue, the challenge was successfully met with tailored growth strategies in each region, returning good profits and growth in market share despite the slump.

The second organisation was a privately owned company, so access to the annual returns is limited; however, the organisation was significantly negatively impacted by the GFC in A/NZ, Asia and the Middle East. Notwithstanding these difficulties, recent reports indicated the Asia/Pacific division not only returned to its pre-2008 figures but also surpassed budget predictions for 2011 with a significant profit. They are now well placed to sustain growth in the current climate and also to take advantage of a recovering economy, particularly in emerging markets.

In addition to the financial success, retention moved from a chronic loss of staff to a sustainably high and stable level. There are now fully functioning, integrated business systems in areas which did not exist prior to the transformation (including performance management, balanced scorecard, integrated communications and ongoing leadership development). In one change alone, a shift to in-sourcing values-based recruitment, the organisation saved $1m in bottom-line costs while delivering better values-based selection and retention rates. The organisation achieved 90% of the Journey Map goals, a substantial achievement, and did so two years earlier than planned.

In recognition of the contribution the culture change program made in this transformation, the CEO recently created a dedicated ‘Culture Officer’ role to demonstrate his continued sponsorship and investment in the ongoing culture change and maintenance. As of 2012, a renewed focus on culture has been identified as imperative to the achievement of the refreshed global strategy and business model.
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5. Navigational Skills ... a critical success factor

Culture change work is complex and frequently entails high stakes. So, who is qualified for this kind of work? What kinds of skills are necessary to conduct successful culture change using the Shaper Framework?

In reflecting on the case studies and in having worked with a number of culture leads and culture change teams, it was evident that while certain qualities and skills were important for the change team, the experience, skills and attitude of the culture leader was pivotal. The culture leader needed to be tenacious, resilient, courageous, and have business credibility, emotional and ‘relational’ intelligence, deep change capability and gravitas. However, as the architect of the culture change, they also need to be able to draw on a depth of experience from past culture and change initiatives. Further, to use the Culture Shaper Framework to its fullest capacity, a foundational knowledge of Qualitative Research methodology, particularly Action Research and Action Learning, would support the culture lead with the iterative process of managing the interdependencies.

While exploring the tools, skills or resources (in addition to the Shaper Framework) that would be required to deliver repeatable and successful culture change, it became evident that I was unconsciously drawing on my own experience and study to successfully deliver the change. I have 18 years’ experience in culture change, in addition to having worked in parallel in the change leadership field. I have studied Social Ecology academically for 20 years, been involved in personal development and emotional intelligence development throughout that time and am part of an active professional network of master change agents. I was technically qualified for the navigational quest, but had taken my skills, experience and emotional and social intelligence for granted.

Some background skills critical for culture leadership include a combination of:

- Intrapersonal awareness and familiarity with identifying personal biases, perceptions, beliefs and values
- High level listening skills combined with the social intelligence to pick up on unspoken cues and unexpressed emotional responses
- Familiarity with the range of human emotions and skill in coaching, supporting or managing emotional reactivity
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- An achievement mindset, more focused on outcome rather than process, therefore willing to challenge current practices, bypass hierarchical structures and deliberately create collaborative channels of communication
- An intuitive appreciation of social and group dynamics underpinning cultural intelligence
- The capacity to recognise symbols and patterns and to apply higher-order thinking to derive critical insights
- Knowledge of several developmental maps, for example, Maslow’s hierarchy of needs, Spiral Dynamics, Kohlberg’s stages of moral development, Kolb’s learning styles, Joiner’s Leadership Agility and Torbert’s Leadership Maturity
- Knowledge of integral or whole-system Frameworks (such as Cynefin, Wilber’s AQAL)
- Knowledge of change management, using tools such as impact assessments, stakeholder mapping, benefits realisation fundamentals, risk management.

As I used the Shaper Framework, I observed that I was unconsciously using frameworks, models and mental checklists to prompt decisions, solve problems, design approaches, communicate strategy and direct the delivery of holistic culture change. I was designing and delivering culture change using holistic approaches without realising the level of knowledge and wisdom from the mental models I had personally created over the preceding two decades. They were influencing my understanding of what had to be done. For many of these, I found that I used mental checklists and questions to ensure I was maintaining the discipline of a holistic approach.

It is beneficial for each culture change lead practitioner, in deploying a culture framework of any sort, to reflect on the wisdom, experience and frames of reference they are consciously and unconsciously using to influence their approach to culture change. This helps to identify where there might be gaps in their attempts to approach the transformation holistically, where their biases may reside, where their blind spots may be, or where they may attain insight into why an intervention is failing and so on. From this awareness, it is possible to identify other skills or attitudes that may be needed in the team to balance the bias. As an example, for the large-scale transformations (both case studies), I hired a specialist behavioural consultant to design and deliver the deep-values and beliefs work. This would balance my lack of
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depth in this area and invite a healthy challenge against my predilection to favour 'hard' shapers of change.

This level of self-awareness is increasingly understood to be essential to the successful delivery of culture change. Schein puts forward a strong case for just this kind of approach in The Corporate Culture Survival Guide. His final thought exhorts practitioners to “enlarge your perception … examine your own thought processes … accept there are different ways to think and do things”, referring to the result of such thinking as a “cultural perspective” or “cultural intelligence” (Schein, 2009, p. 224).

Having discussed how critical the level of the culture lead's skills and experience is the Culture Shaper Framework could, nonetheless, be used by someone far less qualified. The Framework would still provide discipline for the lead to address all the key areas of the Framework’s shapers, culture domains and performance focus areas. They could use a route map to navigate through what might be done. Using the Framework as a guide, the lead could deploy specialist teams in each shaper to address the change. Although a discernible difference in culture would be likely, opportunities for maximising the impacts of interdependencies and leveraging change activity could be lost and the depth and complexity of the culture change could put the program at significant risk.

In taking this research forward, there is an excellent opportunity to develop a number of quality assurance checklists based on those I unconsciously and consciously used at different stages of the implementation. This additional dimension systematises the Framework further as the basis of a method to support the discipline and integrity of the holistic approach. While these checklists and ‘cheat-sheets’ would be valuable, it would not alleviate the need for a deeply skilled culture change leader, someone who acts as the ‘eyes and ears’ of the emergent culture, who can catch the opportunities for intervention as they arise and coach new behaviours and increase knowledge transfer both formally and informally.
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6. Reflections on the research

6.1. Survey

The A/NZ CEO and Chairperson Survey (IBM 2002) provided a valuable insight into how leaders who are attuned to culture see its priority and benefits. Although current Australian/New Zealand research does exist in the exploration of the link between culture and performance, much of it is focused on the link between the use of a particular culture diagnostic, as, for example, is detailed in the Human Synergistics research of Australian companies (Jones et al, 2011).

There were two limitations in the survey approach adopted. The survey was deliberately limited to a leadership population that already had an understanding of culture and had experience in working with culture. They were therefore likely to have a more positive inclination towards culture having a link to performance and culture needing to be a part of the organisation’s strategy. Whilst the benefits were the profound insights arising from the discussion, the downside is that there is no data to test how other randomly selected leaders might view culture.

A second limitation lies in the fact that the material is now a decade old. My assumption is that much of the information shared stands the test of time as many of their predictions of volatility and prevailing issues and needs of a future-fit culture are coming to fruition now. I observe (in a number of organisations I currently consult with), an increased awareness of the impact of behaviours and culture on organisational health, an increasing acceptance of the need to embed innovation and build greater agility and alliancing with new frontiers. What I suspect, which is untested, is that some leaders still resist embarking on culture change work, and of those who see the value, some are still unsure how to progress with effectively changing their culture. This would be an interesting survey to pursue within Australia/New Zealand. An additional survey which would be valuable (but difficult) to undertake would focus on how many culture change programs have failed to deliver on their promise and the causes for the failure.

6.2. Case Studies

The two case studies spanned an 18-month to two-year horizon that provided a solid platform to conduct long-term Action Research and reflection. Both transformational
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change programs incorporated end-to-end change across the whole organisation and the majority of its population and functions, thereby providing a more thorough test of the Culture Shaper Framework.

Given the complexity of culture change, it is difficult to articulate case studies that encapsulate and report on the depth and breadth of the total culture change activity. Due to the speed and magnitude of activity within the two studies, some opportunities to gather potentially valuable empirical data were missed. Every organisation is different, the issues and goals vary, the leaders and the culture in each organisation differ and the direction in which each change program takes can be quite unpredictable. Given this complexity, there is no formulaic approach to detailing the culture change programs as end-to-end case studies across the two-year timespan.

6.3. Furthering the research

The Culture Shaper Framework offers a practical way forward for addressing the complexity of large-scale, culture change implementations. One of the benefits of this pragmatic Culture Shaper approach is that there are a number of valuable opportunities to extend and deepen the Framework.

Such opportunities that I intend to pursue include the development and testing of an integrated method of measuring and tracking the Culture Shaper Framework as a holistic system of measurement of progress. I would also incorporate a stronger focus on finances and have now added a new Financial Shaper as another strategic shaper of culture.

As part of the tracking activity, the area of embedding and sustaining the change needs to be considered in more practical detail. In reflecting back to areas where the least progress was made in the Case Study activity, it tended to be where operational teams were left to implement their own plan of actions, without any oversight from the culture team. This frequently resulted in activity stalling or at best slowing down as business-as-usual work took over and as resistance to the change emerged. My ongoing Action Research lies in considering different ways (Including working within existing PMOs) to ensure relentless and tenacious follow-up of critical culture change activities after the culture team leaves.
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A process of developing a systematic set of maps, tools and checklists (‘Wisdom Toolkit’), is being developed to be applied in conjunction with the Culture Shaper Framework, enforcing more holistic rigour into the actual application of the culture change and further developing the capability of the change lead and team. These checklists and tools could further act as a quality assurance mechanism to regularly test the holistic health of the program.

7. Where to from here? – organisations ‘fit for the future’

Culture is the ‘last mile’ for the corporation. It’s the final ‘core competence’ required in its skillset.

(McCracken 2009, p. 9)

In my discussions with the CEOs and Chairs (IBM 2002), the notion of ‘future fitness’ arose; namely that organisations are either ‘leading the charge’ (‘future formers’) or choose to be agile enough to follow the charge quickly (‘future fit’). This reinforces the need for organisations to align their culture with their business shapers to ensure an internal organisational coherence which adapts more easily to changing external circumstances; unanticipated catastrophic events such as natural disaster, civil unrest and economic disruption. It brings culture and its relationship with performance into sharper focus and points to the possibility of shaping culture more assertively to address performance requirements for strategic advantage.

A situation facing many companies is the need to transform to compete in the global, 2.0, ‘open’ business world of the immediate future. Such an organisation would need to create transparent systems and processes, develop sophisticated and agile alliances and partnering relationships, build highly mobile and collaborative internal networks and cross-functional teams and adapt more skilled tight-loose management as the norm. This will demand significant end-to-end transformation of culture and operations to be fit for the future.

The Culture Shaper Framework can provide a steady and reliable method for implementing a series of phased changes such as these to support business-as-usual, provide direction and structure to the process and deliver a clear vision of the intended outcome, while managing the complexity of a complete overhaul of the organisation.
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With the increasing complexity of organisations working with multiple global partners, operating in multiple national cultures, employing an increasingly diverse work force in a VUCA environment (volatile, uncertain, complex and ambiguous), the need for more conscious and deliberate management of social capital comes to the fore. My research demonstrates that it is possible (and profitable) to manage these complexities dynamically within the parameters of sensible risk management.

It’s a rare bird that concentrates on building a culture for someone else to inherit!
(Hugh Mackay, IBM 2002)

Such ‘rare birds’ will be increasingly necessary in the future. The CEOs and Chairs (IBM 2002) emphasised bridging the paradox of ‘short termism’ and ‘long termism.’ The future would not tolerate an either/or, nor would it tolerate lip service to the ‘soft side.’ Future-forming competitive organisations will be those who genuinely invest in the larger group of organisational stakeholders, building a value proposition that is sustainable both long and short term.

Great companies raise performance and change the culture, these aren’t alternatives, you must do both at the same time.
(CEO – International Beverage Manufacturer and Distributor, IBM 2002)

The Culture Shaper Framework provides a practical culture change tool of depth, breadth and effectiveness, allowing the inclusion of the multiple ‘ands’ of the business.

7.1. Earning the organisation’s ‘license to operate’

For a corporation to truly be a good ‘Corporate Citizen’, not only must it deliver a ‘triple bottom line’ today, but it must also work out what is its distinctive contribution to ecological sustainability. To sustainable human progress. To sustainable wealth creation. We in business must now navigate towards a sustainable future!
(IBM 2002)
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During the CEO survey interviews, a number of the leaders stressed that focusing on shareholder return and on economic drivers would not be enough to ensure success in the future.

Community expectations now require organisations to move from focusing exclusively on shareholder value and widen their focus so as to include a broader range of stakeholders (web-connected customers, venture partners, superannuation funds, government and global policy forums). Society and governments are becoming more insistent on requiring organisations to meet new social, environmental and community standards.

What is emerging is a notion that organisations will need to prove they are ‘fit’ to be in business from a social, environmental and corporate responsibility perspective … a term that Emeritus Professor Dunphy refers to as a ‘license to operate’ (Dunphy, 2003). The recent behaviours of large banking institutions have brought the issue to the foreground with society as a whole and key bodies of stakeholders increasingly wanting to have a say in how large corporations interact with society. This public and political discourse has the potential to impact directly on corporate performance and company survival.

In this climate, the Culture Shaper Framework is a useful model for companies to assess their organisation’s relationship with external forces, stakeholders and society in general - shaper by shaper - while ensuring a culture of social responsibility is reflected in all aspects of the business and thus being able to develop an integrated risk-management program.

8. Contribution to the field of knowledge

Many culture change initiatives focus directly on the culture itself (depth), working with assumptions, beliefs, values, norms and behaviours. In this study, a more holistic approach was found to deliver results in a sustained, business-oriented, agile and integrated manner. The Culture Shaper Framework is oriented to working directly on the values, beliefs and norms of organisational culture, associated behaviours and working indirectly on the shapers of culture. In this way, it works simultaneously on the depth and surface dimensions of culture change.
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Viewing culture change as a whole-business problem requires the practitioner to focus on performance, taking into account external conditions and ensuring the customer is taken into account in the delivery of the culture change. The holistic approach developed and tested through this research enables initiatives to be designed to ensure integration with all other parts of the system and with all levels of the organisation.

In deploying the Culture Shaper Framework, the various elements of the model highlight all the skill areas that need to be incorporated into the change program. In doing so, it enables the identification of gaps and biases on behalf of the culture lead and team (e.g., identifying a bias towards working on the depth elements of culture with weak links into business practices and processes).

Not only does the Framework point to the skill areas required and the gaps to be mitigated, it also identifies different teams that need to be involved as each shaper is deployed. The requirement for a high-level skillset opens up the opportunity for professional-level accreditation for large-scale, culture change practitioners.

If it is accepted that culture is a whole-business problem and that culture change needs to focus directly and indirectly on culture, then the field of culture measurement can be re-examined with the possibility of defining more specific or more accurate, holistic goals for the culture change program, and broader areas to measure and track progress. Measurement of progress could be achieved, directly and indirectly, through each of the core shapers in order to reflect the complexity of changing the whole system at the same time.

This is a field where continued research could contribute significantly in developing a whole-system, business dashboard in the form of a more complex balanced scorecard for navigating through complex, end-to-end culture change.

8.1. Integral approaches for large-scale, complex change

The Framework, with its whole-system perspective, acts as a bridge between the concept of culture change and the day-to-day challenges of changing the business culture while maintaining business-as-usual performance. As such, it opens the possibility of senior leadership being more willing to take the risk of enterprise-wide
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culture change; of being able to manage and control the complexity of rapidly changing elements of the culture while maintaining a vigilant eye on performance, customer and the external conditions.

The holistic nature of the Culture Shaper Framework suits the establishment of many transformations that modern organisations are considering. A number of these transformation challenges were raised by the leaders in the A/NZ CEO and Chairperson Survey (IBM 2002); transformations that required collaboration between multiple separate entities, for example the Australian Federal Police partnerships with the Army in East Timor and with Immigration and asylum seekers. These challenges raise complex issues, requiring new behaviours, systems and processes. The Culture Shaper Framework can be used to identify which shapers or cultural aspects need to be addressed in both organisations and interventions designed to target the interdependences, both internally and externally.

This research contributes to the field by delivering a more holistic Framework that prioritises focus on both surface and depth elements of culture change, whilst positioning the culture change in the context of external conditions and performance required. In formalising the relationship between shapers, culture, behaviours and performance, the Framework provides a tool and method that structures the transformation during the change project and beyond. The holistic discipline of including all the elements of the business can help to sustain the change and ensure repeatability in other culture change projects. It provides a disciplined methodology to ‘systematise’ the process of culture change in a way that allows flexibility and adaptability within which risk management, benefit realisation and other change tools can be deployed.

The Framework further opens up the possibility of developing methods, tools and practices that can be applied pragmatically, measurably and manageably to large-scale change. Further contribution to the organisational development field occurs through the potential of ‘systematisation’ of the culture change enquiry, representing a Collective Exterior process (Wilber 1996). Used consistently in an organisation, the holistic principle underlying the Framework would begin to influence the way people think about solutions, engendering a more integral perspective on organisation and work practice.
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9. Possibilities – a future-fit aligned culture ...

The delivery of a successful culture change initiative needs to involve the potent combination of a CEO/Executive Leader (and ideally executive team) actively and passionately holding the vision for the transformation, working with an experienced culture change leader who knows their blind spots and biases, committing to be holistic and agile in approach, deploying a holistic method such as the Culture Shaper Framework. Alignment of the levers shaping culture is a significant aspect of this success. A future-fit aligned culture could be expected to have the following characteristics.

- The vision and strategy would provide a meaningful value proposition to an ever-increasing group of more demanding stakeholders (Denison’s top right and left quadrants).
- The objectives, goals and reward mechanisms would be consistent and aligned to deliver to the company’s vision and strategy (Denison’s top right quadrant).
- The organisation’s processes, tools and operating mechanisms would be fully aligned to drive specific behaviours and work practices that deliver on that strategy (Denison’s bottom right quadrant).
- The workforce would be engaged with their hearts and minds oriented towards the organisation’s vision, values and strategy (Denison’s bottom left quadrant).
- Finally, the organisation’s strategy, goals, systems, processes and people would have an external-orientation and the internal agility to respond to an ever-volatile and competitive global environment (Denison’s top left quadrant).

The Culture Shaper Framework has been developed through this research to support organisations to strive to achieve such indicators of organisational fitness.
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In closing, I return to commencement of this thesis, with Senge’s vision of an aligned ‘future fit’ organisation…

Imagine an organisation full of people who come to work enthusiastically, knowing they'll grow and flourish and intent on fulfilling the vision and goals of the larger organisation. There’s an ease, grace and effortless about the way they get things done. Work flows seamlessly among teams and functions. People take pleasure and pride in every aspect of the enterprise. There’s a lot of energy walking in each day, accomplishing an ever-increasing amount of work and having fun along the way!

(Roberts, Senge and Brealey, 1994)
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