

Conclusions on Strategies for Cultural Change

In this part, I described the basic principles and ingredients of the approach to cultural change in organizations.

Basic Principles for Cultural Change

A successful approach to cultural change in organizations has six basic principles:

- Generate energy for change,
- Envisage a future and formulate a vision,
- Form a leading coalition and stimulate interaction,
- Put the customer in first place and simplify business processes,
- Combine upwards and downwards renewal and
- Play with direction, peace and space.

These six basic principles can be encountered in the nineteen businesses studied that change their organizational culture successfully and improve their service. The basic principles are the conditions of successful cultural change. Disregarding the basic principles leads to almost certain failure of the change. These six basic principles have several ingredients. The ingredients are part of the change approach and help to come to a well-considered approach for cultural change in organizations. A suitable change approach can be composed from these ingredients. Each time, the skill is in choosing

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a change approach from the basic principles and with the ingredients that match the reason for the cultural change, the situation the organization is in and the ambitions for the future.

No Single Best Way of Changing an Organizational Culture

There is no best method of change. Copying a strategy that was successful for other companies almost certainly results in a disaster. Every time, it involves making conscious decisions about how to set up the change process. And yet there are similarities in change approaches. In all cases, attention is focused on creating added value for customers. The change process is always linked to customer processes and the business idea. The ambition is leading. The point is to qualify for the future and not to disqualify the past, using the strength from the past to get the change to succeed. Points of attention to consider in setting up the change process are:

- Degree of urgency and necessity of changing,
- Pressure from shareholders, politics and media,
- Degree to which employees trust management,
- Power distance between management and operational staff,
- The level of change and the motive for the changes,
- The unmanageability of the technical and financial systems,
- The quality of management,
- Positive and negative experiences with previous change processes,
- Knowledge and skills to design changes and supervise them,
- The willingness of leaders in cultural change to use power and give space.

The conclusions to Part 1 already stated that change starts with standing still. This not only means finding out the reason for the change and understanding the existing organizational culture but also thinking through a suitable change approach.

Not Every Change Approach is Effective

Theories about organizational change have described a number of strategies for change.¹ In Table 10.1, I use these theories as the basis for describing six approaches for cultural change.

Table 10.1 Approaches for cultural change in organizations.

<i>Power strategy</i>	<i>Planned strategy</i>	<i>Negotiating strategy</i>	<i>Development strategy</i>	<i>Learning strategy</i>	<i>Transformational strategy</i>
Forcing	Pushing	Exchanging	Developing	Learning	Discovering
Steering by top	Initiated by top	Multiple actors	Transformative	Active and reflective	Active and interactive
Goal oriented	Solution oriented	Result oriented	Problem oriented	Transition oriented	Future oriented
Position power	Expert power	Position power	Informal power	Seductive power	Visioning power
Input controllers	Input experts	Different coalitions	Input employees	Input learning teams	Collaboration
Linear process	Linear process	Iterative process	Iterative process	Cyclic process	Cyclic process
Pressure	Rational persuasion	Negotiation	Participation	Action learning	Dialoguing
Telling and selling	Convincing	Compromising	Guiding and coaching	Facilitation	Mutual interaction

In the *power strategy*, top managers create urgency from the threats from the environment to get people into action. The idea is that people are cautious and only want to change under external pressure. From the perspective of this concept, conflicts and resistance to change are unavoidable and have to be overcome through the use of power. Top managers determine the goals and delegate the implementation to middle managers. There is a tight time planning within which the proposed goals have to be achieved. Controllers monitor whether goals are reached and top managers intervene if that is not the case. Desired behaviour is rewarded and behaviour that is not appropriate to the new values and standards is punished. A more subtle way of exercising power is to formulate clearly which work practices are no longer tolerated. Power is also used to break through existing practices and to create space for developing alternative work practices.

The essence of the approach with the *planned strategy* is that managers try to predict developments in the environment and anticipate them. Here, the idea is that people will always choose the most logical solution. The task is to convince people what the best solution is. After the environment is analyzed, management develops a business strategy together with experts. They formulate objectives and implement changes. Experts and advisors have an important role in the problem analysis and the formulation of the desired situation. In the planned approach, managers sometimes use large-scale cultural programmes whose aim is to change the behaviour of people in the organization. Programmes aimed solely at behavioural change seldom result in a change to the organizational culture and are usually a waste of energy.

The *negotiating strategy* concerns parties with different interests and wishes who need each other to realize their wishes. The idea is that people focus mainly on their own interest but that they take others into consideration if there is a need to collaborate. Personal interest motivates people to change if that serves their own interests. This strategy is about making force fields visible, articulating one's own advantage and exchanging interests. This approach can be meaningful when there are conflicting interests and socio-political stagnation, especially to create favourable conditions for the change or to realize a cultural change.

The idea in the *development strategy* is that people have enough possibilities within themselves to change as long as there is a good director who can get the best out of them. Creating a safe context and offering clear structures reduces uncertainty and forms a foundation for change. In this participative change approach, the initiators listen to the people who are involved in the change and use their advice. The problem-solving capabilities of the people involved are appealed to in the change process. Changes are realized

gradually and step by step, and organization members are involved in all phases of the change. Usually, the change is initiated and supported by top management. In this change strategy, people who are directly involved work together in the organization to realize the desired change. During the change process, behavioural science principles and practices are used to increase individual and organizational effectiveness. This change strategy leads to commitment and support for change. This approach is often chosen in businesses if a cultural change is concerned and usually with success.

The idea behind the *learning strategy* is that people act on the basis of assumptions, emotions, feelings and almost unconscious patterns. Making people aware of these assumptions and patterns and making it possible to discuss the feelings create space for learning processes in which people change their behaviour. Action learning is often used in which learning processes aim at discovering obstructive emotions and blocking patterns. Facilitators focus on re-education of committed people involved in a collective learning process. The underlying idea is that learning takes place in a cyclical process in which concrete experiences are followed by reflective observation of these experiences. These reflections are then analyzed and incorporated in new concepts and frames of reality. It is about mental clearing of limiting beliefs and the creation of new images of reality. Organizations that work successfully on cultural change almost always pay attention to opening basic assumptions and obstructive patterns up for discussion. Successful cultural change also almost always pays attention to learning processes. This strategy is helpful in initiating and anchoring cultural changes, but the approach is rarely used on its own and is always combined with other change strategies.

In the *transformational strategy*, people exchange perspectives on organizing, changing and innovating. They experiment and get innovations going that go beyond their own organization. The idea behind this strategy is that reality is not objective but is anchored in the minds and hearts of people. These subjective images and definitions of reality change continuously through interaction and sense-making. If this view of reality is linked with a future ideal, energy is created and people get moving: that is the idea. It concerns multiple examination of problems, exposing interpretations and stimulating interactions to produce a number of possibilities for solutions. In this approach, there is space for dialogue that makes room for multiple voices and innovative initiatives. Interacting, acting, reflecting and learning are inseparable during the change process. Meanings and basic assumptions become visible and joint alternative actions are initiated which lead to a process of discovering new futures and destinies. This strategy is often chosen by businesses that are working on successful cultural change.

Step-by-step Change Useful for Cultural Change

The first three approaches to organizational change in Table 10.1 result in a limited capacity for change. Political behaviour in the organization will increase and the staff will have a sceptical attitude and play a waiting game. The chance of successful change is small and there is only low capacity to realize changes on one's own. These approaches are sometimes used to initiate a cultural change or force breakthroughs but always in combination with other approaches.

The last three approaches for change are often used in businesses that successfully change their culture. The developmental change approach has a greater chance of success than the planned approach because it provides space for personal input and attention is paid to realizing commitment and support for the change. The learning approach is helpful to understand existing cultural patterns and to experiment with new behaviour. In most cases, the transformational approach results in measurable positive effects for customers, faster development of new products, better business and staff key indicators and greater satisfaction of employees with the change. The people in the organization learn to give shape to change processes on their own. It is striking that the companies that work on successful cultural change predominantly choose a developmental, learning and transformational change strategy.

Building a Vital Coalition

Cultural change comes down to forming vital coalitions with people who dare to stick their necks out and take the initiative. Changing the identity and underlying values of a business is not a simple job and too large for a leader or initiator to tackle on their own. Successful cultural change requires a joint effort of people who are capable of realizing change. It is essential to form a coalition of people inside and outside the organization who support the change and want to give shape to it. People who know the work processes and are willing to change. They set the example themselves and can be approached about that. They are not the followers. They are critical, committed people with their heart in the business and passion for the customer. People in a vital coalition come from different backgrounds and have different areas of expertise. They value each other in that difference because they complement each other.

Change Based on Own Qualities Without Consultants

Leaders in cultural change often choose a step-by-step change approach that involves employees from all levels in the change. A tightly planned, top-down change approach is rarely chosen. The main thing is step-by-step and interactive changes with input from the people involved and a restrained use of power. The step-by-step approach means that the leaders in cultural change monitor the progress closely and there are opportunities for adjustment. There is some steering from the top of the organization, but that control is not imperative unless matters seriously need to be put in order. External consultants provide only minimal input to the change processes. Sometimes they are called in as expert in the analysis and redesign of the business processes, sometimes they are invited to sharpen up the story and sometimes to observe critically. The businesses all choose to design the cultural changes themselves. A good analogy for changing an organizational culture successfully is getting people together who want to work on building a bridge – while they are walking over it.

Notes and References

1. See the following for an elaboration of change approaches:
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