

Leiders in cultuurverandering

Een praktische gids voor strategische en
culturele veranderingen in organisaties

Jaap Boonstra

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EXECUTIVE SUMMARY

STRATEGIC AND CULTURAL CHANGES IN ORGANIZATIONS

This book deals with strategic and cultural changes within organizations and the importance of leaders in these changes. Change can be something driven from within companies. It can also be the need to adjust to external pressures in a changing environment. Organizational culture is related to the identity of an organization and reflects the values and purposes of an organization. These values and purposes play an important role in shaping the future of an organization. Successful cultural change is intertwined with strategic change. This book presents strategies and interventions for strategic and cultural change in organizations, which deal with the following questions:

- What are we to do when our organization is confronted by a financial crisis or when the legitimacy of our organization is questioned by society?
- How are we to make a success of international collaboration aimed to improve the market position of our company?
- What initiatives are possible to prepare our organization for the future and build a valuable business?
- How should we organize our professional services in a way that they contribute to business processes and customer needs?
- What are creative ways to use diversity and conflict in our organization productively?
- How can we strengthen creativity in our organization and stimulate breakthrough innovation with business partners?
- What initiatives can we take to create profound change in our organization and improve customer value continuously?
- How do we realize transformational change and what may be our role in this?

STORIES AND INSPIRATIONS TO GUIDE CULTURAL CHANGES

This book offers inspiration, practical advice and suggestions for realizing cultural changes within organizations, and a way to effectively combine and organize diverse insights for strategic and cultural change. It provides orientation for people who want to travel to the rough and broader terrain of cultural changes in organizations. Inspirational stories and practical insight into successful organizations are combined with conceptual perspectives and descriptions of useful change strategies and sensible interventions. In this book you will find stories and learning experiences from organizations successful in strategic and cultural change. Learn from the successful international collaboration of KLM and Air France and the international expansion of the engineering

company Arcadis. Discover how Ahold, Philips and KPN overcame a crisis and qualified themselves for the future. Understand how temporary staffing agencies of USG People survive in a competitive market by continuously focusing on customer value. Read about Rabobank and how they used internet technology to redefine themselves to customer needs as the core of their financial services. Let yourself be inspired by the stories of Dutch Railways and the Dutch Immigration Services and how they improved their services and increased customer satisfaction. Read about youth care and health care institutions and how they succeed in realizing a customer centered approach. Share the learning experiences of an Amsterdam Police force and discover how they invest in diversity to create a trusted police force in a multicultural society. Read the stories of the Ministry of the Interior and the City of Amsterdam and how they have prepared for the future in an environment of turbulence and change.

CULTURAL CHANGE IS ABOUT IDEAS AND IDENTITIES MORE THAN ABOUT BEHAVIORAL CHANGE

Part I of this book offers an overview of different perspectives on cultural change in organizations. This comprehensive perspective is helpful in taking a wider perspective on strategic and cultural changes in your organization. Cultural change is no longer perceived as a planned or programmed effort to change the behavior of employees and managers within the organization. Companies that are successful in cultural change do not even use the words ‘cultural change’, and they refrain from programmed behavioral change. They focus on the identity of the organization, the basic assumptions and the business idea. Cultural change is no aim in itself; it is focused on realizing the business idea and delivering customer value. The business idea as a new perspective on organizational culture is illustrated in figure 1.

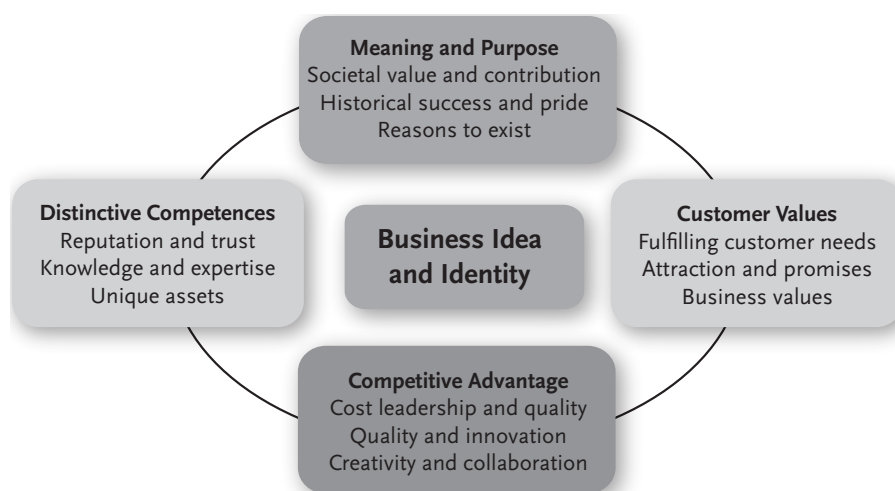


Figure 1 Business idea.

Change initiators bring people together with inspirational vision, developing the central business idea and moving their organization to meet the future. They appreciate the past and qualify their organization for the future.

CULTURAL CHANGE NEEDS DELIBERATE CHANGE STRATEGIES AND ONGOING STRATEGIC CONVERSATIONS

Part II of this book shows how to initiate and guide cultural change in organizations. It offers many examples of how organizations are successful in their change strategy. There is no one best way to change an organization. This part helps you to choose the right change strategy, to think through the way forward, and to keep thinking as you move. Successful cultural change requires seeing beyond the current range of vision. Strategic conversations are helpful for interpreting the present and developing scenarios for the future, using story lines and imagination. Leaders in cultural change refrain from top-down planned change approaches. Cultural change is an interactive process for making sense. Leaders in cultural change mainly choose a continuous change strategy. They involve people on all levels in the organizations and invite customers to share their ideas for the future. A participatory approach is combined with an interactive approach. Leaders in change are not afraid to use their positions to express that which is unacceptable. By visioning the future and articulating non-values they guide the change process in a desired direction. Basic principles for cultural change strategies are:

- understanding and sharing the basis of an organization's success;
- focusing on customer value and value driven business processes;
- breaking out of the existing and restrictive frames of thinking using strategic conversations;
- bringing people together to imagine attractive futures and building future scenarios;
- forming a vital coalition that initiates and guides the change process;
- consciously balancing inspirational and interactive change strategies;
- monitoring the change process and adjusting aims and approaches when needed;
- playing with inspiration and direction, rest and rhythm, sense and space.

Changing step-by-step in a conscious and continuous way is most successful for cultural change in organizations.

LEADERS IN CULTURAL CHANGE SET AN EXAMPLE AND CREATE MEANING

Part III articulates the role of leadership in profound changes. Leaders in cultural change are initiators who create meaning and set the pace. They question existing patterns and open up new perspectives. They invite people to build

vital coalitions and initiate change. There are different types of change. Only top management can create a new corporate strategy, but other people in the organization can take the initiative in articulating the need for change or pointing out possibilities for innovation. Cultural changes are not always driven by top executives. Individuals in every role or position can take initiatives for cultural change. It is not unusual that professionals take initiatives for change because they feel their professional pride has been injured, or that employees set the pace due to a sincere feeling that things can and should be done differently. Significant cultural change cannot possibly be done when it is driven by only a handful of people at the top of an organization. Values are only guiding values when they are chosen voluntarily. In cultural change an organization builds its capacity for doing things in a new way. Cultural change is connected to the strategy, the structure and the systems of an organization as well as with existing patterns of collaboration and the values, aspirations and behavior of people within the organization. Cultural change is not possible without personal transformation. Part III also explores what leaders do, which of them are successful at cultural change in organizations, and how they work with the forces that shape change. The examples and insights are based on the behavior of leaders in the nineteen case studies on cultural change. The transformational leaders in these organizations are sensitive to values in our society and aware of changes in the environment of the organization. They know what is going on in the organization and have a highly developed social antenna. They have a profound degree of self-knowledge and are able to contain their own ego. Leaders in cultural change bring meaning to unexpected events and unclear situations. They take the lead in crises, form a leading coalition to solve problems and envision future perspectives. They are explicit about what is important for the organization, what they value and also about that which they do not want to happen. They interact and invite others to participate in change. They share perspectives, set borders, build trust, and give space to others to experiment and appreciate initiatives that contribute to success.

CHOOSING MEANINGFUL AND INTERACTIVE INTERVENTIONS FOR CULTURAL CHANGE

Part IV presents a practical methodology by describing almost fifty interventions to nurture and sustain ongoing cultural changes throughout the organization. Deep changes in the way people think, what they believe, how they see the world and how they behave require a dedicated mix of interventions that fits the context of the organization and the purpose of the change process. In crisis situations top management articulates problems, makes sense of the situation, gives direction and formulates principles that guide the change process. Without crises or immediate threats, and in situations where organizations want to qualify for the future, the most widely used set of interventions are interactive interventions that stimulate people to question existing patterns

and underlying values. Interactive interventions are used to build common ground, envision the future and take action. Structural interventions used to change organizational structures and technological systems turn out to be useful in realizing changes in coordination, patterns of collaboration and work practices. New work practices guide changes regarding how things are done and stimulate dialogue about existing patterns and underlying assumptions. Sometimes leaders in cultural change use power and conflict to create energy for renewal. These interventions are usually used to make a breakthrough in existing and destructive patterns, to create space for innovation and to relieve emotional tensions. Interventions based on power are used sparingly and the structural and power interventions are always used in combination with interventions that create interaction, meaning and engagement.

SPECIFIC TRAJECTORIES FOR STRATEGIC AND CULTURAL CHANGE IN ORGANIZATIONS

Part V contains conclusions and reflections on successful cultural change in organizations and throws light on the importance of leaders in these changes. There is no one best way to realize cultural change in organizations. Eight specific drivers for cultural change might be distinguished and together they create different trajectories. Every trajectory needs a deliberate change approach with a thoughtful leadership style and a methodological set of interventions. The trajectories are reflected in figure 2.

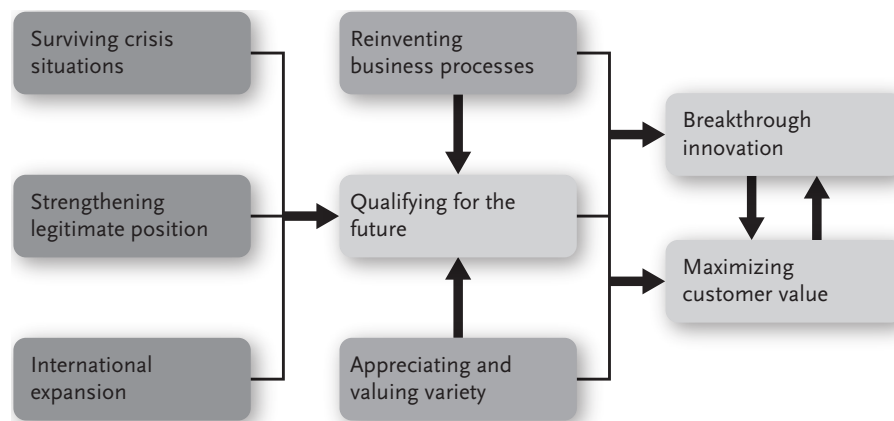


Figure 2 Drivers and trajectories for strategic and cultural change in organizations.

The challenges inherent in the trajectories for change, tax our collective abilities to deal with them. They require people who take initiative and guide strategic and cultural change in an organization. The ambition to create a desirable future is more important in creating cultural change than a sense of urgency. The busi-

ness idea of an organization faces strategic and cultural changes and this challenges the mental models and forces behind its current and future success. An articulated business idea is embedded in the language of organizations. It is connected to the identity of the organization and it strengthens the way things are usually done in the organization. Cultural change focuses on basic assumptions and the identity of the organization. It challenges patterns of collaboration and the way things are done there. Cultural changes in organizations broaden the scope for realizing transformational change and create customer value.

SUCCESSFUL CULTURAL CHANGE AND LEADERSHIP

The concluding chapter presents a comprehensive overview of conditions and success factors related to the specific trajectories for strategic and cultural change. The most important factor for success is to consider the context and purpose of change and to choose your change approach and interventions deliberately. The most important actors for success are the people in the organization who take the lead independently of their role or formal position. These initiators have the courage to explore and discuss the existing situation, to articulate a desirable future, to build a vital coalition, take action and guide the change process. The general success factors for cultural change are:

- initiate profound change with a vital coalition which takes the lead;
- appreciate the successes of the past and value the strengths of the organization;
- create trust through dialogue with business partners, customers and employees;
- develop the business idea and envisioning a desirable future;
- balance between existing identity and breakthrough innovation;
- deliberate and discuss the change strategies and roles in the change process;
- engage management, employees and customers in the change process;
- invest in professional development and learning;
- monitor the change process continuously to adjust when necessary;
- visualize results and contributions to the business idea and share successes.

Other factors for successful cultural change depend specifically on the context of the organization and are connected with the drivers for change and the specific trajectories.

FURTHER EXPLORATION AND READING

The examples and concepts in this book are based on recent depth case studies and on proven and actual theoretical insights. This book offers a source of inspiration for leaders in strategic and cultural change in organizations. The change strategies and interventions presented may be used as a practical meth-

odology for cultural change. This book can be explored by reading the examples of successful organizations at the beginning of each paragraph. By focusing on Part II and V it may be used as an insightful guide to choosing a change strategy. The reflections on leadership in Part III may be helpful in choosing your own role in profound changes and inviting others to contribute in cultural change. Exploring Part IV as a reference book may be helpful if you consider using specific interventions. The practical insights in this book and the extended stories of successful organizations may help you and other people in your organization to be successful in strategic and cultural changes.