

## Conclusions of Leadership in Cultural Change

The final chapter of this part contains conclusions about the role of people who take the initiative in changing and developing an organizational culture. It concerns leaders in cultural change who give direction and provide space. Five forms of leadership are distinguished and I examine which form of leadership is best suited to cultural change. I specifically discuss transformational, meaningful and authentic leadership. This chapter concludes with the distinction between episodic cultural change and gradual cultural development.

### Leaders and Initiators

This part of the book contains numerous examples and concrete conduct of leaders who work successfully on cultural change. You could incorrectly draw the conclusion from this part that cultural change is mainly a matter for top managers. This part is not about top managers but above all about people who stick their neck out and assume a leading role in a cultural change. Top managers are often the initiator and without the support of top managers, cultural change is difficult. Yet, in all the practical studies I encountered people who took the initiative, brought existing patterns up for discussion and stuck their neck out. People who want to realize their ambitions or set to work from a feeling of professional shame and want things to be different. These are the youth workers at Youth Format, the

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mechanics at KPN, the odd-job officials at the Ministry of the Interior, the professionals at Deltaland Hospital, the managers at Professional Services of Albert Heijn, the recruiters at Philips, the middle management at the IND, the salespeople of Olijslager, the branch managers at Unique and the police officers in Amsterdam. People do not take the lead in a cultural change because of their position but from a sincere feeling that it should work differently to how it is now. They demonstrate leadership by taking the initiative and heading in a direction that is worthwhile.

### **Direction and Space**

The leaders in this study give direction by giving meaning to unclear events. They concentrate more on possibilities than on threats or problems. They know what the organization stands by and what it goes for, and they know what affects their people. They are a role model to others and they do what they say. They make cultural values explicit and work on making these values concrete in behaviour. They actively involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future. Trust and space from leaders motivate others to get to work on a new vision in their own working environment and invite people to experiment with renewal. Leaders in cultural change are not afraid to make use of their formal position. They indicate boundaries and are extremely clear in what they do not want. They also use their position to form coalitions of internal and external supporters who help give shape to the change. They are willing to change players if this makes the transformation easier. The leaders stay optimistic, show progress and make successes visible.

### **Effective Leadership Styles for Cultural Change**

Different leadership styles are distinguished in the leadership theory.<sup>1</sup> These different styles are summarized in Table 16.1.

Successful cultural change mainly concerns a combination of transformational and participative leadership. You can roughly say that leaders in cultural change are found on the right hand side of the range. With starting enterprises, the founders form the culture of their company. They do that from a powerful motive and a clear vision. They look for people who fit in

**Table 16.1** Forms of leadership.

<i>Entrepreneurial</i>	<i>Autocratic</i>	<i>Transactional</i>	<i>Charismatic</i>	<i>Participative</i>	<i>Transforming</i>
Initiating	Goal setting	Goal setting	Impressing	Guiding	Sensing
Communicating	Commanding	Informing	Speaking	Listening	Sense-making
Engaging	Intimidating	Managing	Building	Evaluating	Vitalizing
Appealing	Reacting	Performing	Achieving	Consulting	Envisioning
Cultivating	Realizing	Stabilizing	Modelling	Delegating	Supporting
Inspiring	Punishing	Rewarding	Monitoring	Developing	Appreciating
Demanding	Positioning	Controlling	Expecting	Encouraging	Empowering

with that and want to participate. Starting entrepreneurs are founders of their business and they form the culture that suits them. The transformational and participative leadership styles are mainly suited to get a cultural change going for businesses that have been around for longer and have a robust culture. This does not mean that leaders in cultural change do not use power. They certainly do, albeit sparingly and not from an autocratic attitude. Power is used to articulate problems, indicate boundaries, break through barriers, change players and make space for renewal. In crisis situations in particular, top managers take control and say how things are and how they will be. Leaders in cultural change do not aim, however, at increasing their own position of power. They do not work according to their position but transformationally, involving others in the cultural change. In essence, they make an effort to increase the ability of the community so it can give shape to its own future on its own and realize sustainable changes.<sup>2</sup> Leaders in cultural change work transformationally, give meaning and are authentic. I discuss this in more depth in the following three sections.

### Transformational Leadership

Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are conscious of their environment and they are socially conscious. Transformational leaders are curious, explorative and have broad interests. They have a learning attitude and know themselves with their strong and weak sides. They are capable of seeing connections between varying developments and understand what an incidental disruption to a work system is and what symptoms of fundamental change are. They are aware of the values

and standards of a social system and recognize when those rules have to be modified. They listen to others and have the capability of trusting others and building trust. They are inspiring and they know how they have to operate administratively to solve conflicts and realize cultural changes.<sup>4</sup>

### **Meaningful Leadership**

Meaningful leaders deliberately pay attention to specific cases and events. In crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to and what they definitely do not want. Initiators in cultural change name events, share interpretations and invite others to share their vision. Through this they create space for dialogue and give meaning in that. In these interactions, they form the culture of organizations together with others. They also tell stories and inspire others through that.

### **Authentic Leadership**

The leaders in this study know what is important inside and outside the organization. They are conscious of their environment, have a social consciousness and are self-conscious. Through a sensitivity to what is happening in the environment, they see new possibilities. They know what is happening in the organization and what people allow themselves to be controlled by. This enables them to connect the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. The leaders also know themselves with their strong and weak characteristics. They know who they are and they know their own motives. They are accessible and can be approached, organize honest feedback and are not afraid to make emotions discussable.

### **Episodic Cultural Change and Gradual Cultural Development**

The transformational leaders in the study make a choice about the approach they will use to bring about a cultural change. The previous section already showed that they mainly choose a step-by-step and

interactive change strategy. The choice for a specific change strategy can now be clarified further. In crisis situations, leaders often choose to change strategy and structure drastically and apply an episodic change to the existing culture. In prosperous times, leaders are more likely to choose a gradual change of the strategy and structure and a continuous process of cultural development.

In this book, seven organizations recognize a crisis situation. In four of the organizations, the crisis forms an immediate threat to the continued existence. In those companies, top managers take the initiative for a deep change of strategy, structure, systems and culture. They name the problems, build a leading coalition, formulate a new vision, plot out a strategy, choose a different customer approach, invest in their service, change structures, save costs and introduce new values. In three organizations, the legitimacy of the organization is at stake. Here too, management takes the initiative for a deep change. They also formulate a new vision and invest in renewal. However, they aim mainly at renewal of the service, the relationships of cooperation and the cultural values. The top managers of the companies whose continued existence or legitimacy is under pressure do not panic. They see to a good financial basis, keep the focus on their market and set to work energetically. They emphasize their unique strength and look for new market possibilities. They save costs and choose for decentralized control of market-oriented activities. They profile their strong points and continue to innovate.

The organizations that are not experiencing a crisis choose to develop their strategy, structure, systems and culture gradually. They emphasize continuity, confirm existing values and demonstrate a lot of trust in the strength of the employees and managers. They invite the employees and managers to participate in the change process. Successful companies with a strong organizational culture often choose a process of gradual cultural development. There is no need for a fundamental cultural change, and moreover it would be difficult, because people would not see the reason for any change. The culture is also difficult to fathom because people are no longer conscious of many cultural values and basic assumptions. Episodic cultural changes are not often encountered in successful companies. Now, we can enrich the distinction described in Part 1 between episodic cultural change and gradual cultural development with leadership behaviour demonstrated in the organizations that work on successful cultural change. Table 16.2 shows a good list of what leaders do in specific situations to change the culture of their organization successfully.

**Table 16.2** Elements of cultural leadership and consequences for organizational culture.

<i>Elements of cultural leadership</i>	<i>Consequences for culture</i>	
	<i>Innovation</i>	<i>Maintenance</i>
Perceived situation	Crisis and lack of a legitimate position threatening the existence of the organization	Good performance and a wish to qualify for the future and maximize customer value
Vision and mission	New vision, mission and business idea Episodic change focused on new market position and redefined customer value	Strengthen existing vision and mission Continuous change focused on improvement and customer value
Administrative actions	New structures and strategies New focus on customer values	Refurbish structures and strategies Maximize customer value
Use of cultural forms	Cost reduction, efficiency and effectiveness Communicates new ideologies and values	Effectiveness and gradual innovation Affirms and celebrates existing cultural ideologies and values
Leader behaviours	Embedding new cultural values Formulating vision with leading coalition Explaining new strategies Articulating new cultural values Giving clear examples Using facts and figures Communicates high expectations Organizing teamwork and collaboration Acting as an evangelist and role model	Developing vision with broad coalition Confirming success of existing strategies Validating existing cultural values Sharing meaningful stories Utilizing essentials and symbols Communicating confidence and trust Supporting teamwork and collaboration Acting as a catalyst and role model



<p>Personal qualities</p> <p>Making an appeal to trust from others          Celebrating successes          Learning from mistakes          Self-awareness          Environmental awareness          Social awareness          Self-confidence          Expressive and dramatic          Dominant with strong convictions          Reputation as crisis manager          Repeated success in managing crisis          The leader has extraordinary qualities to deal with crisis</p> <p>Performance          Followers' attributions</p>	<p>Giving confidence and trust to others          Sharing successes          Learning by reflection on meaningful events          Environmental awareness          Social awareness          Self-awareness          Confidence in group          Inspiring confidence          Facilitator with strong convictions          Reputation as meaningful leader          Continuation of success          The leader represents exciting values that were successful in the past</p>
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Inspired by Trice and Beyer (1991) and revisited on the basis of this research and publication.

Leaders who are confronted with a crisis situation often start with an episodic cultural change. They do not leave the crisis unused. One disadvantage of the episodic cultural change is that the leader who saved the organization is seen as a hero. This can lead to a position of dependence on the leader and stagnation of the cultural change. That is why leaders who started with an episodic cultural change switch to gradual cultural development in which they work together with others to safeguard the cultural values and make space for further renewal. Leaders in organizations that are not in crisis are more likely to choose a gradual and continuous cultural development. This choice also has its drawbacks. A strong culture can result in people in the organization clinging on to success formulas from the past and closing themselves off from what is happening in their environment. Leaders can get so caught up themselves with the existing culture and the environment that they can only receive very selective signals about what is happening around them. Years of success can also lead to overconfidence and taking excessively large risks. Maintaining a sensitivity to the environment is essential in gradual cultural development. Whatever choice is made for the approach to the change, for leaders in cultural change, it is quite a job to fathom the existing culture and choose the right interventions to realize change. The interventions used by the leaders to realize successful cultural change are discussed in the next part.

### Notes and References

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