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Culture Trumps Change

Author: Mary Cannata
Principal Consultant

Trissential LLC, USA

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MARY CANNATA

Principal Consultant

mary.cannata@sqs.com

Mary Cannata has been working in the field of Organisation Development for over 25 years. Mary is the Principal Consultant and Practice Leader at Trissentential for Change Leadership. Mary is responsible for developing change leadership capabilities and best practices for change leadership within Trissentential and also with the clients with which she works. She has worked in multiple industries as an internal or external consultant focusing on assisting organisations with issues of organisation inefficiencies and large-scale culture change efforts. Mary has experience working for various industries such as Oil and Gas, Airlines, Retail, Finance and Technology. She has also worked in ICT functions within large organisations and has held positions of Project Manager for several large-scale system implementations. Mary earned her Ed.D in Organisation Learning and Development at the University of St. Thomas in St. Paul, Minnesota.

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Management summary

So often, companies implement new systems and technology which is basically ‘dropped’ into employees’ laps. No initial assessment is carried out by project teams to understand the organisation more thoroughly in terms of the culture and strategic alignment of the project. The result is disruption, lack of productivity, extended timelines for adoption, and missed ROI.

Companies can improve the results of their projects (in terms of ROI, deadlines, budget requirements, and employee acceptance and adoption) if they understand the context of the organisation.

Typically, our work involves implementing technology within an organisation. It is safe to say the introduction of new or revised technology represents a

change for the organisation. Often, the technology is a catalyst for large-scale change. For example, many organisations are implementing systems to integrate the use of information and therefore making data available when it has not been available and accessible before. This is a significant change and is coupled with the expectation that people think differently about this information and use it in different ways. Information that was once kept on individual spreadsheets is now made accessible to many people across an entire organisation. The step to prepare people for this type of change is often overlooked, minimised or simplified.

Therefore the success of such a project depends on the operation of the technology along with its acceptance and adoption by end users.

Introduction

According to Edgar Schein [1], culture is defined as the patterning or integration of rituals, climate, values, behaviours that members of the organisation share or hold in common. Additionally, the shared beliefs and behaviours are stable, meaning it is a stabilising force that will not be given up easily. Culture is hard to change because the members of the organisation find identity, stability and predictability within the group, even if the cultural attributes are held subconsciously.

Culture is deeply seeded within an organisation and is often an unconscious part of a group. It is not something tangible, yet it manifests tangible elements and concepts (Table 1). Culture is pervasive; it influences all aspects of how an organisation deals with the day-to-day tasks and internal operations of the organisation.

The culture of an organisation has shared assumptions that have been created by the group as it has solved problems and found effective work solutions. Because the shared assumptions were effective, and therefore viewed as valid, the shared

assumptions are taught to new members as ‘the way we get work done’ in an organisation. This then becomes the correct way to perceive, think, behave and feel in relation to work situations.

Cultural Evidence	Description
Espoused Values	The values that are stated by the leaders of the organisation. These are typically part of a Mission, Vision and Values document.
Exhibited Values	The values that are actually followed as evidenced by leadership actions.
Philosophy	This is the high-level strategy that is communicated internally and externally; usually in the form of a motto or slogan.
Climate	This is the way in which individuals interact with one another; are they fearful, cautious, or open and forthcoming?
Embedded Skills	This is a special competency displayed by members of the organisation that is passed on without deliberate knowledge or action.
Mental Models	This is the habitual thinking that exists within the organisation; the shared cognitive frames that guide perceptions, thought and language.
Shared Meanings	This is the emergent understanding that is created by members of the organisation as they interact with one another while working together to accomplish tasks.
Artefacts	This is the way members of an organisation characterise themselves; office settings, art work, posters, symbols.
Rituals	These are formal and informal rituals such as celebrations when groups complete a project or when members are promoted.
Observed Behaviours	This is probably the most important indicator of an organisation’s culture. The leaders will deliver messages and provide guidance, but the proof is in the behaviours of the organisation members and provides the truth about the culture.

Table 1: Evidence to support and describe an organisation’s culture

Why culture is so important

Because cultural attributes are often held subconsciously by employees, they are difficult to change. For this reason, the culture of an organisation becomes a powerful force. If the organisational culture is not understood, it can override any change initiatives underway.

Why is this so important to understand? Many people are placed in positions of influence; for example, project managers (PM) are leading technical change efforts, but are typically focused on the day-to-day work involved in successfully implementing a technical solution. The part that gets missed is the need to influence others in the organisation and communicate how change affects the bottom line. It is not necessarily the PM's job to carry out this task, but it certainly helps if the PM recognises the need for this and can identify opportunities for deployment.

There is a current trend in the market representing a possible shift in thinking and mindset regarding who is responsible for leading this effort and building the capability for conducting this work. The trend indicates a level of frustration within ICT organisations. This shift is a direct outcome of project failure due to a lack of acceptance and adoption of new technology, and the recognition that this failure is due to a lack of empathy or understanding of organisational culture and the impact of the culture on employees as it relates to the change being asked of them. Leaders of ICT organisations are now recognising the need to have another set of skills, such as change leadership, or organisational change management, within their own organisation and are developing strategies and plans to build that capability within their functions.

Once the change leadership capability is established and matured even slightly within the ICT organisation, project results improve. The correlation between consideration for culture and successful project implementation is noted in existing research [2]. This trend will impact future projects by ensuring smoother, less disruptive system implementations that meet financial success criteria such as return on investment.

The culture of an organisation is something that is abstract yet extremely powerful [3]. This is especially true when an organisation is undertaking an initiative or project to change something that impacts the day-to-day work processes people follow.

Ultimately, it is important that the leaders of any project or change initiative understand and become conscious of the culture they are affecting. If this is not taken into consideration, the culture will manage the project or change initiative instead of the other way round.

Three business case examples

The following business case examples are taken from three different companies and depict actual situations. These cases provide examples of how the existing culture can and did negate efforts to bring about a smooth change within the organisation.

1. Top design and tech company

The leaders of this company set out to change the operations of the retail division in order to improve the retail customer experience. It had become painfully obvious that the internal operations of the company were a hindrance to the customer experience and therefore affected retail business.

Over many years, the leaders of the company had deliberately created a very siloed organisation in terms of its structure and day-to-day operations. There were distinct channels of business with very clear lines of demarcation and no shared information or integrated systems. This might have been purposeful at one point in time, but it no longer added any value to the customer experience. For example, this company sold technology for personal use and also for business use. If a customer had made a purchase from the personal-use retail channel and then wanted to make a purchase online for their small business, their customer information was not available to the online business channel. The customer had to create their profile information all over again. As a result, the customer was frustrated, the sales force lacked pertinent information about all the purchases made by one person, be it for personal or business purposes, and was then limited in their understanding of that customer.

Decisions were made to change organisational structures and internal system integration, and to create centralised shared services. A team was formed to make this happen and was given a completion deadline 120 days from the day the project was initiated.

A summary of the cultural attributes for this company are as follows:

1. The company employees were extremely intelligent and capable. They were successful in meeting deadlines and doing whatever was necessary to 'get the job done'.
2. The spirit and energy of the company was highly charged as they were very successful within their market. The company's reputation across the country and among their customers was stellar (with the exception of the frustrating customer experience that was now coming to light).
3. The silo structure and mentality was deeply rooted within the organisation and went unchallenged by all levels of employees and management.

A gallant effort was undertaken by the project team members, but it quickly became evident that there was a problem. The project team had reacted in the manner predictable for the culture of this company and everyone took off running with tasks pertaining to their own particular function or department. The project team members did not shift their mindset to one of collaboration and integration which was necessary for this project to succeed. The culture of the organisation superseded the change and caused the initial failure of the project.

2. Large food manufacturing company

This company was losing market share. Small food manufacturing companies were responding quickly to consumer demands for more healthy food products and therefore stealing market share from this large, reputable, food manufacturing company.

It had become obvious to the company leaders that their response time to meeting consumer food trends was not sufficient to stay competitive. Their processes were too complicated and lengthy and their organisation was too large and bureaucratic.

The cultural attributes of this organisation are described as follows:

1. Employees are perfectionists, extremely conscientious, thorough, and overly analytical.
2. Leaders are far removed from the day-to-day operations and unaware of the rigour involved in the established internal processes.
3. Employees have a very strong sense of ownership of their work and don't necessarily trust other functional areas to be as thorough and accurate as they are. Therefore, there is a lot of double- and triple-checking of work being done by employees.
4. Employees are extremely frustrated by an overly complicated and over-engineered product life-cycle management process that prevents them from moving through new product innovations quickly.

The company went through a significant downsizing effort and layers of management were removed from the organisational structure. One of the expected outcomes of this action was to be able to streamline the work processes and approval steps in the current product lifecycle management process.

With the removal of many people from the organisation, the leaders anticipated an automatic improvement in speed within the product lifecycle. However, the outcome was quite the opposite and the process slowed down even more.

The culture of having employees that were perfectionists and conscientious superseded the desired change by the leaders of the company. The leaders assumed the work left behind by the people no longer with the company would be skipped and no longer completed. They also did not communicate this expectation to the work force and the result was the opposite of the expected outcome. Because of the existing culture of the company, the remaining employees picked up the work left undone and were now doing more work than ever before, with the process taking even longer.

3. Large consumer packaged goods company

A large-scale programme was underway to implement a new consumer portal for a consumer packaged goods company. Departments that were not used to working closely together had to meet up and collaborate on the business requirements, design and operational readiness for this new system development project. There was already tension between the ICT Application Development & Infrastructure departments. Additionally, the Marketing department underestimated the need for their involvement (assuming this system would magically be defined, designed and implemented without their input). Leadership did not understand their role in supporting this project. Executive presence and decision-making was missing. The Marketing and Business Teams needed to collaborate with the Application Team in order to fully realise the benefits and intended use of the new consumer portal.

The culture of this organisation could be described as follows:

1. There is a lack of shared accountability. Each department is focused only on their part of the project.
2. There is also a lack of collaboration between departments.
3. Leadership does not get involved in project details; leaders tend to stay focused on high level strategies and are removed from the day-to-day understanding of work.
4. Communication is non-existent between departments and between levels of management. Information does not flow through the organisation easily.

The project encountered many problems. Conflict surfaced in the form of finger-pointing among the ICT teams, as well as within the end user groups.

The project encountered continued delays in the schedule due to incessant updates to business requirements and design as the teams haphazardly understood the full scope of the effort. Demands were made that people couldn't meet, such as developing end-to-end business requirements. Also, the Marketing team was caught by surprise as they didn't understand the amount of collaboration needed to work together with the Business team to help define the portal's functionality.

The timeline was actually doubled from that originally set and the cost of the project increased to an amount five times the original budget. All the cultural attributes played a role in the required extension of the project. The lack of collaboration and shared accountability took additional time to resolve. The lack of communication and leadership support was evidenced by the element of surprise in departments that were needed to define the end user process and experience.

Required actions

The key lesson to learn is that culture is complicated and deep and must be taken into consideration when planning a change initiative within an organisation. You must figure out how the culture may hinder or help your initiatives [4].

Table 2 provides a list of actions to take in order to include the culture of an organisation in a change initiative.

1. Understand the culture

According to Schein [1], it is important to identify cultural assumptions and evaluate the ability of these assumptions to hinder or help the change initiative. The following tasks are suggested means of gathering the required information to assist with this evaluation of the culture.

- Obtain leadership support. Because understanding an organisation’s culture can be a major endeavour, it is critical to gain leadership support for this. Consent for and full understanding of the need for the analysis is required in order to be successful.
- Conduct interviews. Face-to-face interviews, in groups or one by one, are preferred to surveys when collecting information about culture. A conversation is a more effective way to elicit information about the organisation. The interviewer can listen for statements about values, such as, “We value relationships and leverage them more to get our work done rather than following rigid processes”.
- Elicit information by asking about artefacts. Examples of artefacts to ask about could include dress code, physical layout of the office, methods of communication, how people are rewarded and punished, how one gets ahead in the organisation, desired modes of behaviour when addressing the boss, etc.
- Identify shared tacit assumptions. Once enough information has been collected about the organisation, use your powers of observation to validate the shared assumptions. It is possible that values espoused by leaders are different from values held by employees. It is possible that employees within an organisation may state that they are good

at the planning process, only to learn, on further investigation, that plans are quickly abandoned and replaced with rapid action.

The information collected in this process and the evaluation of the information regarding culture will be used in conjunction with planning for the change initiative.

2. Identify the problem to be solved

It is common for projects and change initiatives to have a declared mission, but if this is stated in terms of profit or is overly analytical, employees may have a hard time relating to the project. Therefore, it is important to be clear about the problem that is being solved through the project or change initiative [5].

Employees want information about projects that will help them to connect the project to their jobs and day-to-day tasks. The most impactful messages delivered about projects are ones that help to align everyone towards solving the problem.

It may be hard for leaders to describe projects in terms other than project plans, budgets, timelines and ROI. However, it is not possible to connect with the cultural attributes of an organisation unless a description of the future state exists for comparison.

Actions	Description
Understand the culture	Collect information about the organisation to identify the attributes, both negative and positive
Identify the problem to be solved	Ensure clarity regarding the project or change initiative
Clarify the change goal	Define the change in terms of the problem rather than defining it as a ‘culture change’.

Table 2: How to include the culture of an organisation in a change initiative

If leaders want to change behaviour within an organisation, employees will make the change much more readily if they can see a compelling reason, stated in clear terms, why they should change. Any reasons presented to employees that don't line up with the cultural attributes will cause change resistance and hinder the project or change initiative.

Clearly stated, the fundamental requirement is to create alignment between what the leaders of an organisation want to achieve, and what the employees are expected to do to assist in bringing about that vision. According to Lencioni [6], a major reason for project failure is the inability to achieve alignment. Alignment is about clarity and there is no room for confusion or resistance.

3. Clarify the change goal

It is now time to take the information gathered about the organisation and the change goal and put it together. The way to use the information regarding the culture is to determine whether the specific cultural attributes can hinder or help with an initiative.

Culture is very difficult to change [5]. It is more realistic to identify aspects of the culture that can be leveraged to assist with bringing about the desired change. An example of this is creating a sense of urgency pertaining to the change initiative. Many organisations have a cultural attribute of 'coming together in a crisis'. It is common for employees to describe times of crisis where everyone has pulled together and magically solved a problem or met a tight deadline. If this is a known attribute and, more importantly, is one the employees take pride in, it would be advantageous to use this to the benefit of the change initiative.

On the other hand, if there is a cultural attribute that may hinder the change initiative, a specific plan may be required to deal with this particular phenomenon. For example, if an organisation has a cultural attribute of relying on relationships to get work done rather than following processes, this may require special consideration if the change initiative involves identifying new work processes. If the success of the change initiative relies heavily on employees accepting and adopting the new work processes, they may resist the change due to the fact that they value relationships over processes.

The link between organisational culture considerations and the enterprise-wide ICT quality approach is in the complement between products and projects. If we take a product-oriented view of ICT rather than having a purely project focus, the culture consideration affects the people impacted by the product being developed and implemented. The foundation of the enterprise-wide ICT model is defined by the four "P's": People, Processes, Products and Portfolio [7]. With regard to People, understanding the culture defined by those people will help to determine the best method of implementation in order to gain their acceptance and adoption of the new products and projects being introduced. If we are to do this effectively and efficiently, understanding culture becomes a critical aspect of the work.

Summary

A culture assessment is of little value unless it is tied to some organisational problem, project or change initiative. When there is a clear purpose, or problem to be solved relative to the product being implemented, determining how culture impacts the issue is not only useful but in most cases necessary. The cultural attributes describe how the organisation performs. Therefore, ignoring this information would hinder, and possibly even cripple, projects and change initiatives. When used effectively, cultural information will improve the

likelihood of a project's success by aligning the culture to the effort. The result of doing this means less change resistance, quicker acceptance of the change or new product, and sustained adoption of the desired change. This will then have a positive impact on project financials and ROI by reducing the likelihood of restarts, rework and failure due to a lack of alignment between project expectations and the reality of the organisation.

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SQS Software Quality Systems AG
Phone: +49 2203 9154-0
Fax: +49 2203 9154-55
info@sqs.com | www.sqs.com