

# Organisational culture and change

## An organisation wide approach to driving and embedding culture change in support of strategic goals

The key question when looking at the role of organisational culture must be:  
'How do we ensure that the changes we make support the outcomes we have identified as critical to our success?'

### The system

We look at the organisation as a system in itself, and also as part of a wider system which includes customers, stakeholders and partners. A further system which impacts on the organisation and its 'local' system is the sector, the geography and the wider political and socio-economic context.

### The organisational culture

We look at organisational culture as the means by which people experience the system they are operating. It is made up of a rich mix of experiences, including the daily interactions between people, behaviour, language, what is valued and rewarded, what is given priority, recurring systems and processes, the look and feel of the operating environment. It could be described as **the means by which people become conscious of the system in which they are operating.**

People's experiences, and the meaning that these experiences hold for them, determine their behaviour.

It follows from this that only if you change people's experiences will they choose to change their behaviour.

A simple example of this is our everyday experience of dealing with receptionists and salespeople. When they are friendly and professional, it usually puts us in a good mood. When they are rude or arrogant, it stirs up negative feelings in us which may be expressed in a variety of direct or indirect ways.

## Organisational culture and the system

In organic systems, a change in one part of the system will have an impact, sometimes unpredictable or delayed by time, on every other part of the system. This is one explanation for why culture change programmes so often fail.

In one part of the system, an announcement is made that the organisation holds particular values and values particular behaviours. This change has an impact on the rest of the system. People compare the announced values and desired behaviours with what they experience in their daily lives. They notice that their experience doesn't reinforce what they've been told.

The meaning they take from this is that the announced values and behaviours have not changed the operating environment. So they continue as before, and nothing changes.

Senior management may, after a while, attempt to analyse why the culture change programme has failed; why the desired values and behaviours have not embedded themselves in the organisation; why people have not 'got it'.

But they have 'got it'. They have got it and **realised that they don't need to do anything about it, because the rest of the system has continued to reinforce the existing organisational culture and behaviours.**

Culture change is an attempt to change the operating environment of the system. This means successful culture change will take account of all parts of the system. It addresses the experiences people have across the whole system, as well as the meaning they take from those experiences.

### The focus of attention

Viewed from this perspective, culture change could seem an impossible task. How can we possibly change people's experience of every single part of the system, and still keep delivering the business?

Research and experience have consistently borne out that certain key things have significantly more impact on organisational culture and behaviour than others.

It is critical that attention is focussed on those areas which are known to have the greatest impact on organisational behaviour. The aspect of the organisation which has by far the greatest impact on how people choose to behave is leadership.

No culture change programme can succeed without close involvement by and support for leaders at all levels, to make sure that what they pay attention to, reward and recognise, as well as what they model through their own behaviour, reinforces the desired outcomes for the organisation.

## Guiding Principles

- **Experience and meaning:** Change must be seen through the lens of experience and the meaning people ascribe to their experience; it must make sense to the people involved.
- **Supply and demand:** It must satisfy the market principles of supply and demand; it must create a business pull for the change; rather than just project push.
- **Energy:** The experience must be energising and go with the energy that people already have for aspects of the organisational culture, not deny or undermine it.
- **Self-reinforcing:** It must ensure that different parts of the system reinforce the experience and meaning of the change (e.g. performance management, leadership development competencies and frameworks, learning and development).
- **Leadership:** It must maintain a rigorous and consistent focus on leadership modelling as the key influence on behaviour
- **Drive from outcomes:** Change must be visibly driven from declared strategic outcomes; these provide a touchstone to keep the organisation focussed on the purpose of the change.

## Characteristics of an effective strong culture

### Examples of an organisational culture audit

#### 1 A

An organisation has a reputation in the wider world for being full of ideas, good at innovation and running with new approaches.

Our experience of managers is that they are indeed full of ideas and energy. But is this true throughout the organisation? Or only among managers?

#### 1 B

An illustration of this strength in innovation is that a corporate and cross-cutting approach features large in the thinking of senior management.

This approach is visible at the top at the centre of the organisation. But how much do these observations apply to the wider organisation? How deep does the joining up go?

## 2 A

Alongside the reputation for ideas and innovation goes a reputation for being poor at follow-through.

Our experience of managers reinforces this. There was great energy around Action Learning Sets which fizzled out almost immediately resulting in very little follow-up action of any kind.

We have also seen this in the team work designed to follow the wider Managers' Conference. The output of the work was to be communicated to, and responded to by the Senior Management Team. We are not aware that this feedback loop has been completed.

Another example is the performance management system, which several senior managers have told us is ineffective in holding managers to account.

At a higher level, roles have been put in place to strengthen follow-through, acknowledging the need for progress in this respect.

## 2 B

An illustration of this lack of follow-through and task completion focus is our experience of a level of inefficiency that characterises the basic operations of the organisation.

We have experienced considerable difficulties, for example, in setting up events. It is evidently difficult for the organisation to communicate at a basic level.

There have been several instances of invitations not reaching the diaries of senior people, resulting in confusion and frustration.

There is sometimes uncertainty as to where the responsibility for things lies, and a lack of ownership of seeing things through to effective completion.

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3 A

First impressions as a customer-facing organisation are good. It feels friendly and accessible – it is neither grand and intimidating on the one hand, nor scruffy and depressing on the other.

People are generally pleasant, cheerful, friendly and helpful.

3 B

Alongside this positive image goes a risk that the organisation may be complacent about its relatively good performance, and see no urgent need for improvement.

While the organisation may think highly of itself because of its nationally high-profile Chief Executive, the relative success of its business model and its reputation for innovation, in reality there is a lot of room for improvement.

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