



AGILE CHANGE
management limited

Practical steps for creating the right culture for *your* organisation

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Introduction

So much of our work in projects, programmes and change initiatives form part of a wider drive to alter the culture of an organisation. Culture is the underpinning set of beliefs that guide every aspect of how those in an organisation behave. Culture is not something that we discuss explicitly with our colleagues, but its effects impact everything that we do, how we do it and why we do it.

If we need to transform our organisation it makes sense to transform the culture i.e. the foundation that underpins the organisation.

Culture builds up over time, affected by all those that have worked for the organisation past and present, all of the successes and failures that the company has experienced, the growth and contraction of its market place, the regulatory environment, its customers, suppliers and competitors. Every interaction that the organisation has shapes its culture, either deliberately or accidentally.

It isn't practical to assume that one programme of work will lead to a wholesale change in the culture. If a different belief system is needed, it is important to articulate what that culture is, and then ensure that every initiative from this point forward contributes to this shift. Effective cultural change relies on a sustained, deliberate effort to 'nudge' the organisation in the desired direction.

Mechanisms to support your desired culture

Culture is difficult to dissect and describe in simple terms but the work of many in this field have identified two complementary components:

- There are structural elements to creating a new culture. These are tangible components often captured as new processes and procedures.
- There are behaviours, habits and actions that embody these tangible components. They are things we do that can support the new structure.

Organisations that are able to change their culture recognise the importance of both sides of this equation. They make sure there is consistency between all of the elements.

Structural element

To help our understanding of what this structural element is comprised of, I like to use the work of Trompenaars and Hampden Turner who are specialists in organisational design. They have developed a cultural model which characterises culture as comprising of three tiers.

The **first tier** is called Basic Assumptions and this is the deepest level of culture. The Basic Assumptions describe the purpose of the organisation, the reason that the organisation exists and highlights what drives the organisation to do what it does. These core beliefs run deep in the psyche of the organisation. They are not the sort of thing that we discuss with our colleagues. They are tacitly accepted, they are just 'known'.

The **second tier** is called Norms and Values which are demonstrated formally and informally. The formal demonstration of these 'norms' i.e. how we do things around here, are codified in the instruction manuals, documented procedures and quality guidelines that underpin the work.

The informal 'norms' are passed from person to person when we describe how we work, pointing out things we prioritise, things we leave out based on how we learnt to do the job and things that we have picked up since we started work at the organisation. The best way to hear these informal norms is to sit beside someone as they work and listen to their explanation of what they do and why they do it that way.

The **third tier** is Visible Artefacts which states that the culture is represented and formed by the way in which we assign space to tasks and people. Where the culture encourages collaborative working, space will have been given to break out areas and informal seating to encourage staff to sit with each other and share information. In a very hierarchical structure the size of the space we are given to work in will be dictated by our seniority in the organisation, with executives being given the biggest office space. Other visible signs of the culture include the space allocated to welcoming customers, the art work or posters on the walls which convey messages about what the organisation thinks is important.

Tier 3
Visible Artefacts

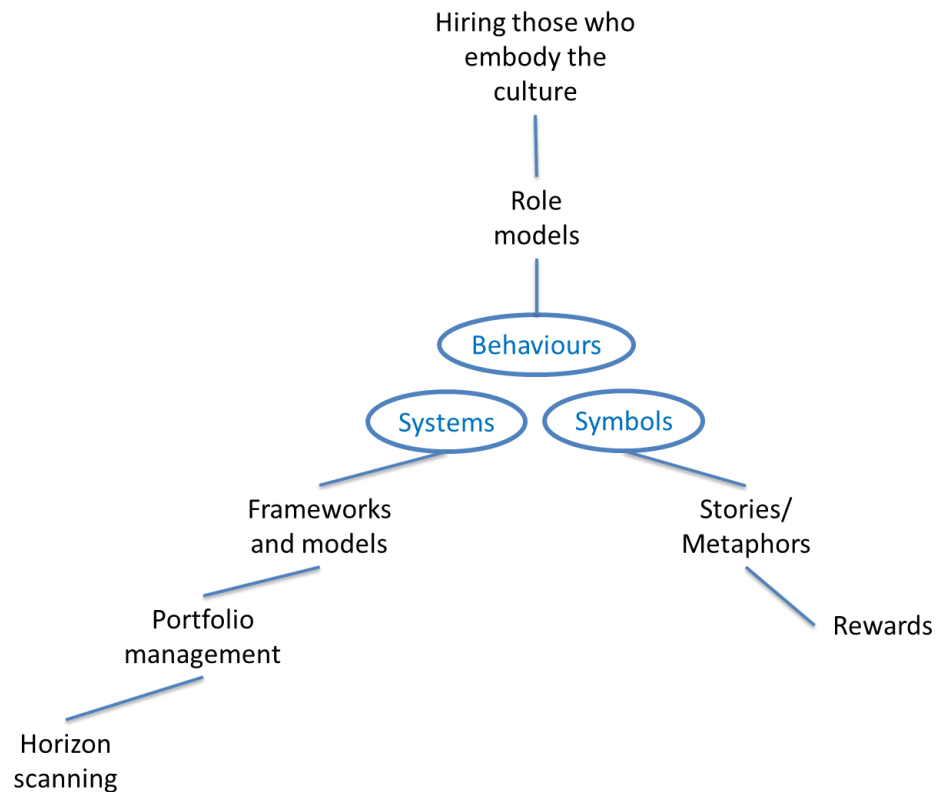
Tier 2
Norms and Values

Tier 1
Basic Assumptions

Behavioural element

To help our understanding of the behavioural or softer elements of culture, I like to use the work of Carolyn Taylor, a respected cultural change expert. She identifies three mechanisms that help to build culture:

1. Behaviours
2. Systems
3. Symbols



Behaviours

Behaviours is about the actions that we take, that are deliberately planned to encourage the culture that we want to create. In my experience, effective actions include:

- Role modelling the desired behaviour
- Hiring those who embody the culture you want to create

Role modelling

As humans we learn by example. Babies will model their behaviour on those they come into contact with. As we get older, we filter who we are prepared to model our behaviour on. Role models are especially effective if they are credible and authentic.

Role modelling is an excellent way of demonstrating what is meant by the new culture. I don't think it happens by accident. I think it is important to select those actions that best embody the new culture

Hiring those who embody the culture you want to create

To support the new culture it is important to deliberately search out those who want to work in this way. This means recrafting job descriptions and the questions and scenarios used in competency based interviews to reflect the new behaviours and new priorities.

Systems

These are the formal mechanisms that embody how things are done. These include:

- Frameworks and models
- Regular routines

Frameworks and models

Consider when doing something and the measures that will be applied to decide between success and failure.

Regular routines

Regular routines are anything that the company does that supports its culture. Where an organisation has a culture of formality and hierarchy, this will be reflected in the number of regular reporting and measuring activities that take place. Where an organisation is more collaborative, these regular routines will involve social events to exchange information and create a 'family' atmosphere.

Symbols

Symbols are elements that we can choose to represent the culture that we want to create. They include:

- Stories and metaphors
- Rewards

Stories and metaphors

Studies show that different parts of the human brain are engaged by stories than by facts and that retention is improved through the use of stories and metaphors. To build the culture that your organisation wants to adopt, design stories that reflect this achievement. The design of an effective story includes a challenge or a threat, a hero who overcomes the threat, a description of how they work to overcome it and the happy ending when the benefits from overcoming the challenge are being enjoyed.

Rewards

Cultural change requires a cohesive approach to how we ask people to work and what they are rewarded for. So rewards must be aligned to the new ways of working. For example, if the new culture prioritises the customer, all those behaviours that deliver excellent customer service will be recognised and rewarded.

Building a culture that enables change

There are several cultures that are perceived as desirable in the current environment of fast paced change. One of those is a culture which recognises and prioritises the ability to manage change and the other is a culture that encourages innovation and ideas from all areas of the organisation. I think there is a lot of similarity across the two including the need for collaborative working, the reduction in silo based working, sharing of information and trust that people are working as hard as they can and to the best of their ability.

The following example illustrates the models by describing the components of a culture that enables an organisation to manage change effectively.

The first step is to specifically state that a core purpose of the organisation is excellence in managing change.

This means that everyone shares a common belief that change is a normal part of their work and that stability and consistency are the exception and not the norm.

Change must be seen as a positive and something to be encouraged. It is evidenced by the willingness of everyone in the organisation to regularly ask themselves:

- What else can I do?
- How can this be improved?
- What new things should I be doing?
- What existing things should I stop doing?

If everyone asks these questions on a regular basis then what builds up is a tremendous capability for change readiness. Change is no longer seen as something special done by experts to people. It becomes a normal part of our work, easily incorporated into how assess, scope and plan what we do.

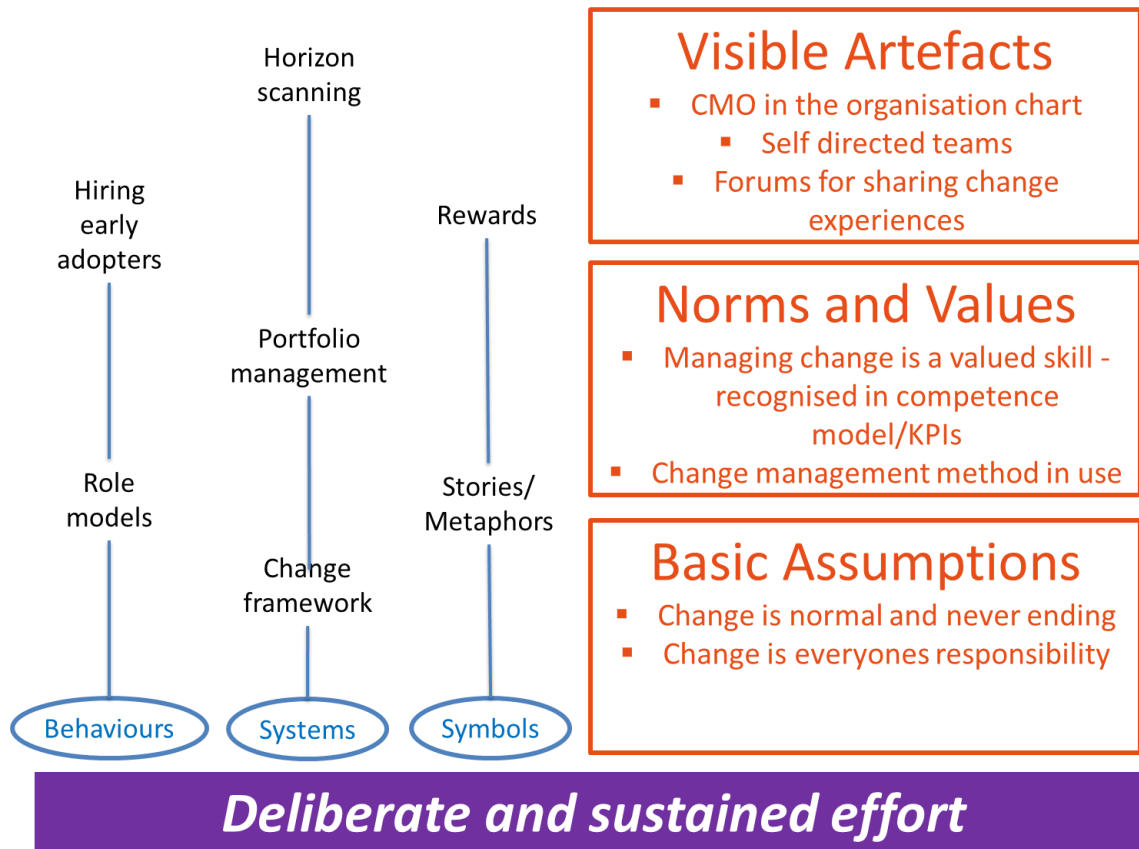
Culture is the collective view of the purpose and reason why the organisation does what it does. If a capability for change is to become the new culture then it has to involve everyone. Culture cannot be the responsibility of the few. To become a fundamental part of the culture, the identification, design and adoption of change has to be seen as the responsibility of every level of management and staff and every role.

The Basic Assumptions are the fundamental beliefs about the company. These need to be consolidated into how things are done. The beliefs have to become a part of the norms and values.

Norms and values are represented formally through documented processes and procedures. Any type of reference material that is regularly used in your organisation should reflect the culture you are trying to build. Include ideas about how to be ready and willing for change in:

- Staff Handbook - describe the importance of always looking for new ways of working
- Quality Management System - make sure all procedures have a feedback loop
- Internal training materials
- Induction information for new joiners
- Job descriptions
- Advertisements for new positions

Visible artefacts will capture the success stories of change so far. A culture of change readiness can be illustrated by pictures of staff working in new ways. Newsletters will include interviews with staff explaining what changes they have seen and why they think they are an improvement. Space can be re-allocated to give priority to new behaviours. For example, office space might be given to a centralised change management function, or a training room might be dedicated to change management training.



At the same time that the culture is being defined structurally, behaviours, systems and symbols must be defined and undertaken in a deliberate and focused way to ensure that the culture becomes a reality.

If we are to create a culture where change is seen as a normal part of any piece of work, leaders need to demonstrate that this is how they work to. A simple example is the questions that leaders ask at meetings when discussing processes. They ask how something can be improved, they invite suggestions for changing the process. Their questions illustrate that maintaining the status quo is not their priority.

A deliberate action that can accelerate the development of the change culture is to hire those who already see change as a normal part of how they work. They already expect to be part of a team that regularly reviews how it works, identifies and implements changes. It is likely that this deliberate hiring policy will be matched by the removal of those staff who believe that change is a passing trend and that the organisation should stick to what it already does. A note of caution that comes from experience is the need to ensure that these new joiners 'honour the past' and do not arrive with an attitude that everything that has existed before is automatically wrong.

Changing the culture of an organisation involved a significant amount of projects and initiatives. These need to be aligned to all of the other initiatives that the organisation is running to support its core business.

Without effective management of all of these ideas it is very difficult to maintain the required focus on the cultural initiatives. It is also hard to scope because it is difficult to understand the scope of other initiatives if they are not managed as a whole.

Portfolio management for the people not just the Finance and Strategic Planning functions.

What I mean by that is:

- The portfolio is visible to everyone. If we want to create a culture where everyone can suggest ideas and help to make change happen then everyone needs to know what else is happening in their organisation. It minimises duplication by letting people see if others are working on similar ideas to their own. It signposts who they might usefully collaborate with across the organisation.
- The criteria by which big ideas are approved must be known by everyone so they can judge their own ideas, performing an early review of viability. If projects are secret and you don't know on what basis your idea might be judged why would you stick your head above the parapet, especially if you are quite low down on the hierarchy? Transparency of criteria encourages sharing of ideas.

One of the most powerful regular routines that can be established to support a culture of change is horizon scanning. The culture of an organisation may be unique to that organisation but the organisation itself does not exist in isolation, therefore it's culture is shaped by other factors.

It is important to regularly scan the external world to appreciate what others are doing and how they are interpreting our fast moving world.

Tell stories about organisations that have failed to change and as a result are no longer a success. The recent past has many examples including Nokia and Rim who make Blackberry phones. Also tell positive stories about organisations that have innovated and won more customers.

A culture of constant evolution can be supported by a reward system that frequently acknowledges, thanks and congratulates those working in this way. Someone who tries something new should be thanked for coming up with the idea, even if the new approach turns out not to be successful. Someone who asks their team how things can be improved, or what aspects of a task should be stopped should be congratulated for including the need to change in how they are thinking about their work.

The behaviours we want to encourage to make change a normal part of everything we do are micro. They are changes to what we decide to do first when prioritising our tasks. They are changes to who we share information with, who we build relationships with and what information we share. They are all small habits so we need small but very frequent rewards to keep reminding us to work in these new ways.