Adding Value Via Change

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This document is extracted from a larger document.

Edgar Schein's (1992) model of culture positions artefacts as the most visible aspect of culture that in turn influences, and is influenced by espoused values and basic underlying assumptions.

Carolyn Taylor builds on this model and creates a pragmatic tool for culture change
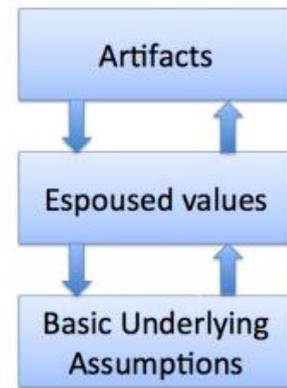
Carolyn Taylor (2005) conceptualises culture with values driving symbols, systems and behaviours to generate and influence culture. Adapting these models provides a diagnostic tool to help define the problem.
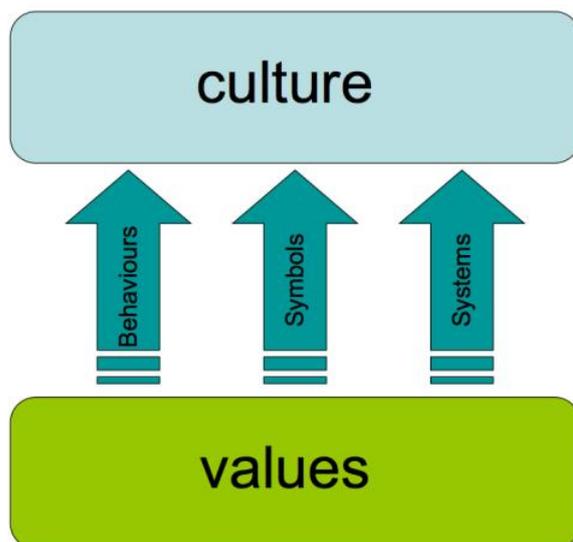

Figure 2: Carolyn Taylor's culture model (2005, p 19)

Mapping the cultural elements helps to identify the cultural dimension of the problem. Here is an example, using the two models.

behaviours (what people do)	scrutiny of budgets	counting staff hours	blaming, performance management	defensiveness
values (behavioural drivers)	control costs, survival		deflect blame, insecurity, put the pressure on	deflect blame, insecurity
assumptions (underlying worldview)	"they can't be trusted" "they don't have the skills" "its their fault"			"they don't appreciate us" "they are out to get me"

Table 1: behaviours, values and assumptions (adapted from Connor, Lake and Stackman 2003)

Problem statements

The problem therefore has at least two dimensions:

1. XXX company's systems are insufficiently resourced to sustain the organisation.
2. XXX company culture is based on background values and assumptions that inhibit the organisation's development.

Suggested solutions

While both problems are pressing, the second problem presents potential to develop solutions that will build institutional capacity and sustainability. The remainder of this report will focus on problem 2.

Culture is often conceptualised as difficult to change (see appendix 1). Taylor's (2005) model of culture provides pragmatic options for culture change. Culture change initiatives can focus on the elements of values, behaviours, symbols and systems. These are explored in the second phase – the envisioning phase.

Envisioning change

Gap analysis

The process of describing the current and future organisational state is gap analysis. Note that the descriptions of the current state focus on negative aspects most requiring change.

Current state	Future state
micro-managed	open transparent systems
introspective in times of crisis	customer focused
departmental barriers	fluid systems
blaming	encouraging
fear and defensiveness	accountable and honest resilient and adaptive
under-resourced systems	enabling systems

Table 2: gap analysis

The differences between current and future states are profound. Some aspects of the transition can be made through financial and technical

investments in improving systems while the more affective aspects require sustained leadership attention.

Restraining and facilitating factors

A change of this magnitude must anticipate restraining factors and incorporate factors to counter them and facilitate change.

A strong envisioning process that generates excitement around change can counter the emotional climate outlined above. It is important that more resources aren't used to further define the current state. Those spent to date have not added value.

Restraining factors	Facilitating factors
Denial or deflecting blame	Strong envisioning process
Entrenched positions	Sponsored project team
Finances	Small wins through pilots
Leadership capacity	Leadership development

Table 3: Restraining and facilitating factors

The entrenched positions of management and union can be countered by entrusting the process to a project team with direct CE sponsorship. Membership is drawn from both union and management.

Financial constraints may hamper progress, but improvements to key systems are essential and must be afforded priority in planning. Small wins from pilot projects may build support behind necessary system changes.

Leadership development is critical for success as the envisioning processes and other organisational development processes require leadership. Leadership can be encouraged to emerge from all levels of the organisation.

Crafting

The culture change initiative requires a clear vision of a future culture that will add value to XXX Company and deliver anticipated benefits. The following figure drafts the future culture and its contributing values, behaviours, symbols and systems. Steps in developing the model are:

1. The desired culture is outlined first (see the right hand side of the model). The cultural elements outlined here are only to illustrate the

model and need to be developed inclusively with staff. This can be
achieved relatively quickly.

2. The behaviours symbols and systems (in the centre of the model) are
the artefacts that are developed through the change processes.

3. When steps 1 and 2 are completed, the values that are needed to drive
them are identified. When the process is complete it will be interesting
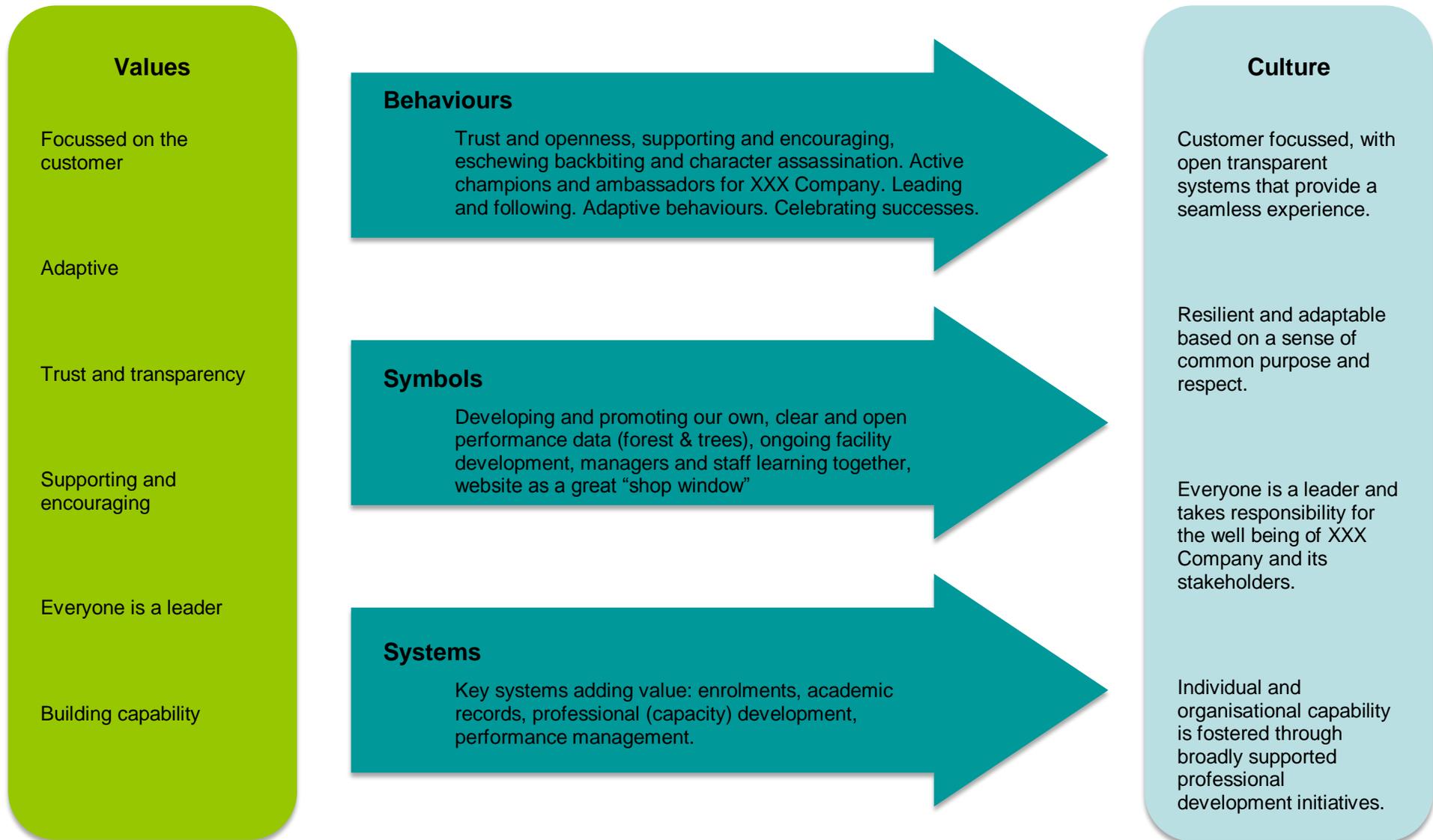to compare these to XXXcompany's current values.

Values

Focussed on the customer

Adaptive

Trust and transparency

Supporting and encouraging

Everyone is a leader

Building capability

Behaviours

Trust and openness, supporting and encouraging, eschewing backbiting and character assassination. Active champions and ambassadors for XXX Company. Leading and following. Adaptive behaviours. Celebrating successes.

Symbols

Developing and promoting our own, clear and open performance data (forest & trees), ongoing facility development, managers and staff learning together, website as a great "shop window"

Systems

Key systems adding value: enrolments, academic records, professional (capacity) development, performance management.

Culture

Customer focussed, with open transparent systems that provide a seamless experience.

Resilient and adaptable based on a sense of common purpose and respect.

Everyone is a leader and takes responsibility for the well being of XXX Company and its stakeholders.

Individual and organisational capability is fostered through broadly supported professional development initiatives.

Figure 3: Changing culture through values, behaviours, symbols and systems

Managing the transition and strategies and tactics

Staff and managers have a cynicism of change initiatives. Those presenting the change must be mindful of the need to avoid cynical responses. Presenting the programme as a pragmatic process to delivering a more enabling culture will be better received rather than going through another process of analysing the current culture. The envisioning process might use appreciative enquiry methods (Cooperrider & Srivastva. 1987).

Identifying the most urgent systems development work, creating early wins, and associating these clearly as part of the change process will also assist the transition. People's enthusiasm is more likely to emerge as they see progress (Kotter, 1995).

Prioritising and phasing systems development is a central project management focus. Existing initiatives, such as the overhaul of the enrolment system must be seen to be part of the wider cultural change. Another system that should generate results that support the symbolic shifts required is the professional development system. This will include the development of a framework of organizational capabilities (skills, knowledge and attitudes) necessary for successful management and administration.

It is important that the Board, the CE and the senior management team support the change initiative. A formal launch of the initiative should only proceed when the project team is comfortable that senior level sponsorship is in place.

Conducting

Implementation

Conducting the change begins with the envisioning process that hopefully secures support and further impetus for change. The second phase is the identification of systems needs and the development of project plans. The value of using Taylor's (2005) model is that the systems improvements scaffold the development of the values, behaviours and systems required to support the new culture.

Institutionalising change and evaluation

As the implementation of systems developments proceeds, progress is evaluated through the lens of the other components in the plan. Questions might include:

- How does the new system design manifest the values of the new culture?
- How have the changes made so far influenced our values?
- Are the behaviours manifest by the project team and systems teams consistent with those envisaged?
- Is the new system delivering anticipated benefits?
- Is the new system supporting cultural change?
- What symbols of change are evident?

The project team needs to closely monitor the behaviours manifest in projects associated with change projects and challenge those instances where old behaviours are re-emerging. Change of this nature is difficult and old patterns of behaviour do not atrophy easily. Patterns of behaviour persist because somehow they are rewarded, or at least go unpunished. It is important that changes in behaviour consistent with the desired change are encouraged.

Those served by systems, especially customers, can also evaluate their effectiveness.

Reconnecting the two problems

Two problems were identified:

1. XXX company's systems are insufficiently resourced to sustain the organisation.
2. XXX company's culture is based on background values assumptions that inhibit the organisation's development.

The focus of this document has been the second problem. The change processes including systems development will, over time, create greater capacity to adapt to external drivers such as changes to the funding mechanism.

For example, improving the xxx system will improve conversion from enquiry to sale, thus generating increased income. There is plenty of anecdotal evidence that potential customers are lost in the system. The frustration the current system generates for our potential customers also loses potential income and damages our reputation.

Improving human resource systems such as professional development, and creating a better emotional climate should reduce turnover, which has been high for managers, especially at times of crisis. The complex skill sets required by programme managers take at least a year to master. Turnover costs at this level appear to be significant.

Conclusion

Fostering a more resilient culture and strengthening and aligning key systems with cultural aspirations will develop XXX company's capacity to withstand financial crises. The measures outlined here are designed to move XXX Company from crisis management to capability management.

Appendix one: Academic rationale

Culture is the change agency recommended here. Emerging interest in organisational culture in the 1970s coincided with the developing awareness in the United States that U.S. companies were sometimes struggling against foreign competitors such as the Japanese (Morgan & Sturdy, 2000). Changing organisational culture became a favoured method to enhance competitiveness in the 1980s (Hatch, 2004) and remains the focus of popularist management texts (Covey, 2004; Taylor, 2005).

Morgan and Sturdy (2000) suggest three approaches to change, managerialist, political and social. Aspects of culture feature in all three. Earlier models of culture change such as Schein's (1992) model are managerialist and position the leader as a transforming agent of cultural change. From the managerialist perspective culture can be a tool for achieving greater managerial control or enhancing organisational performance (Hatch 2004).

The political approach to change rejects the notion of a unitary or homogenous frame of reference and sees change as competing interest groups. Change processes are cultural engineering (Morgan and Sturdy, 2000). While the managerialist approach aspires to an integrated culture, the political approach acknowledges the fragmentation of culture (Hatch, 1990). From a critical perspective culture is a resource in a struggle for the control of meaning and a contest of power and domination (Jones & Stablein, 2006; Hatch, 2004).

The social approach transcends the managerialist approach by seeking to understand culture through discourse analysis and ethnography. Culture, as a social manifestation is closely associated with identity as an individual manifestation (Morgan & Sturdy, 2000).

These approaches to change fall short in offering the theoretical rationale for the change desired in this project. The managerialist approach pushes a management agenda. The political approach locks in adversary in a dichotomous worldview. The social approach offers more but requires a

significant investment to understand the cultural dynamics to achieve a shared understanding by a broader base of change agents.

Theoretical elements contributing to culture change

The models included in this report are underpinned by some well-established leadership and change concepts including:

- shared leadership and the importance of inclusiveness and collaboration
- the role of values
- culture and change

Shared leadership and the importance of inclusiveness and collaboration

Buchanan (2003) advocates widely dispersed leadership. Older notions of leadership position the "great man" as the heroic individual that drives the organisation forward, akin to the mythical "hero-CEO" identified by Senge (2002). The managerialist leadership literature of modernity embeds leadership at the top of the hierarchy (Marsden & Townley, 1996; Hatch, 1990).

More recently Pearce and Sims (2002) advocate shared leadership, with more people in the organisation engaging in leadership behaviours with greater autonomy. The corollary of the shared leadership is greater inclusion and participation in organisational decision-making. Peter Cammock's (2003, p. 44) model of leadership highlights leading change as an iterative and adaptive process.
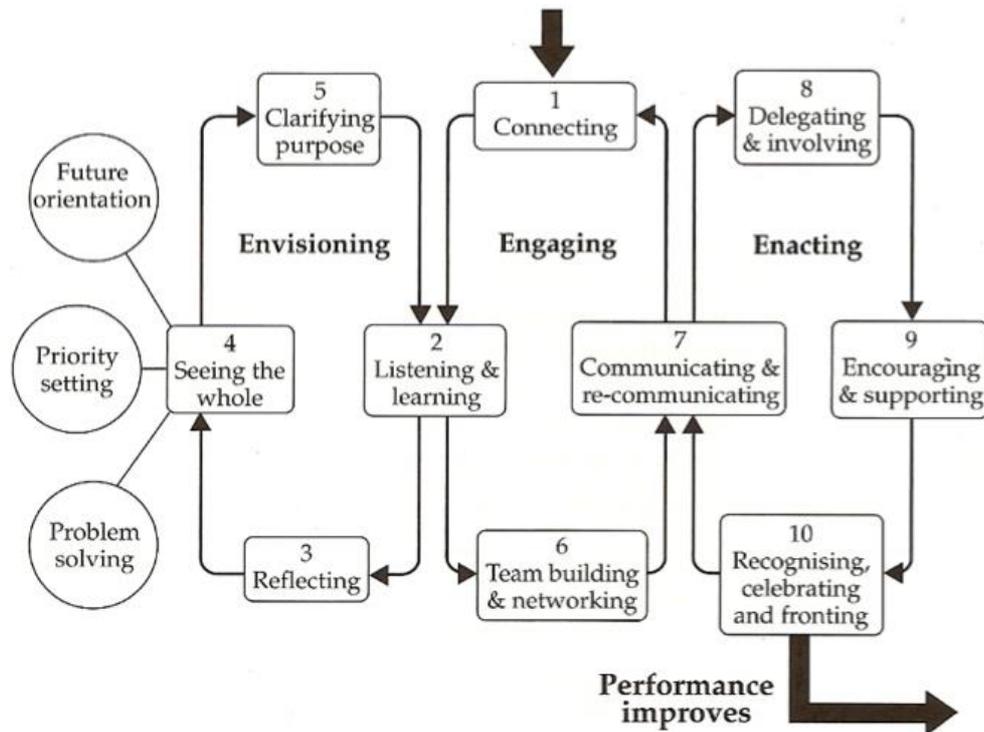
Figure 4: leadership and change processes (Cammock, 2003 p. 44)

In this model the leader is constantly communicating and the vision is iteratively developed (in the communication process of envisioning), rather than imposed on people. The dynamic nature of change requires flexibility, reinforcing adaptive capacity as an essential leadership capability (Bennis and Thomas, 2002). Change initiatives will have more impetus when change agency is more widely dispersed throughout the organisation. Change driven by a perceived elite will encounter more resistance than when driven by a wider range of staff (Prasad & Prasad, 2000: Buchanan & Badham 1999). People have more ownership of what they have a role in creating (Fitz, 1989).

Figure 8 illustrates how shared vision emerges when shared leadership, inclusiveness and collaboration are manifest. When shared leadership and inclusiveness and collaboration are low, the vision is imposed or driven by an elite. By contrast as more are involved and take on leadership, shared vision emerges.
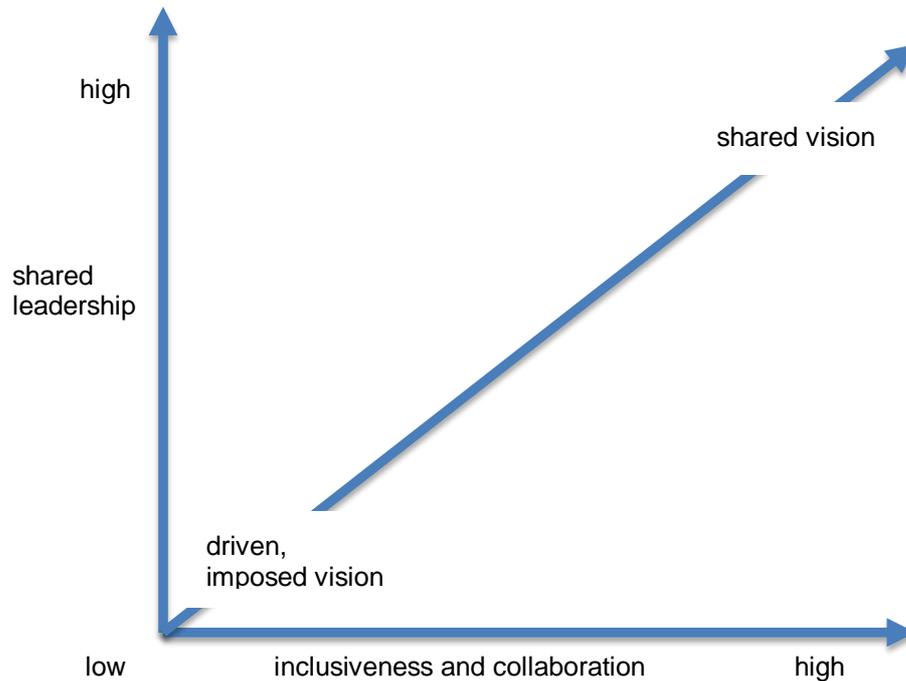
Figure 5: driven or shared vision

The role of values

Values are "social principles, goals and standards held within a culture to have intrinsic worth (Hatch, 1990 p. 214). Values are linked to culture. They transcend situations and guide human behaviour (Schwartz & Bilsky, 1987). Collins and Porras (1994) found values to underpin the success of enduring companies. Taylor's 2005 claim that an organisation's values can be understood by noticing where it spends its time and money, reflecting Schein's (1994) link between espoused values and artefacts. Taylor's (2005) model, as used in this report, has values tightly linked to culture.

Culture and change

Connor, Lake and Stackman's (2003) change processes are embedded in a cultural paradigm with frequent use of the language of anthropology, sociology and psychology. Culture influences an organisation's ability to change. Entrenched cultures resist change (Deal & Kennedy, 1982; Pascale, Millemann & Goija, 1997; Dawson, 2003). Leadership, change and culture are

tightly linked (Schein, 1992: Morgan & Sturdy, 2000). For Kotter (1995) the change process is completed when anchored in the corporation's culture.

The change processes advocated here are optimistic. It must be remembered that change processes are inevitably political (Buchannan 2003, Buchanan & Badham 1999). Their success depends on senior management sponsorship and support (Kotter & Cohen, 2002). Pascale argued that change literature is "either too conceptual and therefore too impractical, too inspirational and therefore too vague…" (Buchanan, 2003, p 664). The change model used here may err on the side of being too inspirational. However the institution has been down a path of diagnosing culture without any notable success. An aspirational change process that focuses more on what is working and a compelling future may well yield better results (Cooperrider, & Srivastva 1987; Karp & Helgo 2008).

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