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Leading Successful Cultural Change That Lasts

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Learning differently

Thinking differently

Acting differently

Leading Successful Cultural Change That Lasts

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Introduction

Leading cultural change is one of the most challenging tasks that we as leaders will ever have to take on, and one that many leaders worry about or even avoid. In this paper we draw on many years of research and teaching to suggest ten key practices that leaders should observe when leading change.

There are as many definitions of culture as there are of leadership, but the one I find most helpful is from a seminal book entitled 'Organizational Culture and Leadership' by Professor, Edgar Schein, who defines culture as:

> *"the deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously, and that define in a basic 'taken-for-granted' fashion an organisation's view of itself and its environment."*

Culture is about deep-rooted values and beliefs, and therefore culture affects all the behaviours you see around you in the organisation. Culture has been found to influence organisational outcomes in numerous ways, both positively and negatively depending on how well culture is aligned to organisational mission and strategy.

Peter Drucker argued that "culture eats strategy for breakfast". In other words, he suggests that strategy will simply remain a paper exercise if the organisation's culture is resistant to it. Importantly, leaders need to ensure that their culture is clearly aligned with the organisation's purpose and context, but flexible enough to shift when the external context changes and the organisation's strategy needs to change in response. If your culture is resistant to change and unable to adapt, it will quickly become disconnected from any new strategy, resulting in your colleagues losing their sense of purpose and becoming confused, disengaged, and even disruptive. Cultural alignment is therefore critical.
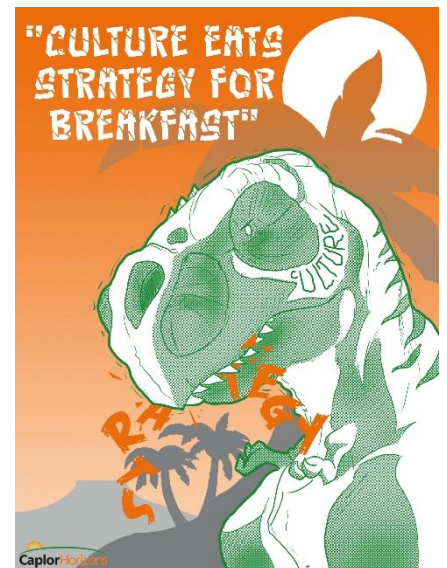
Many cultures are highly resistant to change, especially old or large organisations, but in particular organisations with strong or charismatic leaders or founders are also prone to being especially change resistant. Operating unconsciously and in a 'taken-for-granted' fashion, those on the inside of such strong organisational cultures may find it very difficult to articulate their culture, and yet it pervades their behaviours, assumptions, and values, and is one of most dominant determinants of organisational success or failure. Understanding the assumptions that shape your culture is therefore vital.

Despite these challenges, it *is* possible for leaders to achieve lasting cultural change by engaging in careful and thoughtful leadership practices. In this paper, I discuss some of the practices that will help leaders to navigate the culture change minefield, to prepare for and sustain a lasting change, and avoid some of the most common pitfalls.

1.   Diagnose your culture carefully before taking leadership action!

There are a number of very useful leadership tools that can support and enable leaders to better diagnose and understand their current culture, before going on to decide what the future culture needs to be, how to align it with the organisation's future strategy, and bring about the changes required.

Before embarking on cultural change, leaders should apply a range of well researched diagnostic models and frameworks***** to better understand what drives the values and behaviours in the organisation, what causes people to resist change, how leaders can engage people in the change process, and how to evaluate where people are in terms of adopting the values and behaviours needed for the future. This is never an easy transition, but with persistence and consistency lasting cultural change *can* be achieved.

**At Caplor Horizons, we offer workshops and advice to help leaders to apply and implement a range of diagnostic culture change tools in practice. The Caplor Horizons 'Culture Tree' is one such diagnostic tool and is discussed further below.*

2.   Learn to be both patient and persistent – do not give up!

Leaders need to allow time for any change programme to work. Most leaders dramatically underestimate the time it takes to shift organisational culture, even a little. An organisation's history cannot be wiped out by announcing a new culture. A good change programme will acknowledge this and build the foundations for lasting change. Indeed, Kotter and Heskett's research found that in some organisations, for cultural transition to occur at the deepest level, change can take as long as ten years to stick. Of course, very few leaders have the luxury of thinking that far ahead, but you will nevertheless need to be both patient and persistent in shaping your change process, reinforcing your messages as often as possible, and ensuring that the rest of your leadership team does so too, in order to allow the changes required to take root.

3.   Avoid confusing messages

Leaders often read a lot and are often also attracted by new ideas. This can lead to confusion, however, when too many conflicting ideas are introduced in quick succession. Dropping a change programme before it has achieved its full potential can result in deep disillusionment, mistrust, disappointment and confusion. One of the reasons why so many change initiatives fail is that they are too often just 'initiatives' and not planned carefully enough for the long term. People who are exposed to a number of such conflicting initiatives often display what is known as 'fad fatigue': weariness caused by the endless exposure to different and contradictory programmes launched by their leaders. By contrast, engaged colleagues with clearly shared values in an aligned organisational culture tend to achieve much higher productivity, performance and impact and display greater confidence to take leadership action at all organisational levels.

4. Make sure that your leadership is united – and address disagreements openly and quickly so that they do not fester

Ideally, especially in not-for-profit organisations, strategy is always renewed in participatory, inclusive, dynamic ways. Conversations that are meaningful and regular about strategy create a sense of ownership. Notwithstanding this, the core leadership will need to be of one mind in sharing its strategy and approach to change – whether you are a small or large organisation, and irrespective of the sector in which you are operating. I am especially focusing here all those involved in the governance and leadership of the organisation: the Board and the main leadership team. If these leaders are not united, decision making and motivation will be adversely affected, and your colleagues more widely will notice this straight away. One of the most common causes of disillusionment amongst people in an organisation is conflict and inconsistency within the leaders of the organisation. The antennae of individuals are specially tuned to detect inauthentic and inconsistent behaviours in their leaders. Torn between loyalty to different people, if they notice disagreement and conflict they will easily become confused about whom to turn to. Professor Peter Anthony, a well-known scholar of organisational culture, referred to this syndrome as 'organisational schizophrenia', and warned leaders not to ignore this danger as it always becomes worse when not addressed.

5. Think about your successor(s) early in order to ensure that you do not lose momentum

A change at the most influential level (e.g., Chair, CEO) is one of the most common reasons why change programmes fail or are abandoned part way through. If transition at this level is likely within the early stages of kicking off your change programme, do aim to choose a successor effectively and efficiently, and find one who is aligned to your values and culture; also, discuss current organisational strategy with the new leader at recruitment stage, and before they start in post, checking out their engagement and understanding; specifically what they might bring to renew it in ways that are going to be constructive and relevant to the organisation's future.

It can be very difficult for leaders to find a successor who is not only competent to take the reins, but who also shares their commitment to the organisation and its work with the same level of passion. So, give yourself time to do this. It is worth investing time and effort to ensure continuity after you move on. Organisational culture, its values and behaviours are pivotal. Your team will quickly notice if your successor has a lukewarm attitude towards the organisation and change process that you have started and will soon revert to old behaviours if your change message is no longer reinforced. Significant hard work and investment will be risked if you choose the wrong successor.

6. Make sure your processes, systems and procedures are aligned and consistent with the messages in your change programme

Existing tensions, silos, and fiefdoms, causing rifts between teams across an organisation can often be aggravated by the introduction of a change programme. Ignoring these or hoping that they will be addressed by an assertive top-down approach rarely works. Insufficient reinforcement and integration of

the messages of the change programme within other organisational forums, e.g. strategy and planning meetings, and systems and processes which are inconsistent with the culture, values and behaviours at the heart of your change programme, will send out contradictory messages. It is often difficult for leaders to stop rewarding and promoting old behaviours: the behaviours that were needed in the past, and which have become deeply rooted in the organisation's culture as a result but are no longer needed in the present. Existing leaders in influential roles are often the most culpable of this – since their own rise is invariably connected with successful displays of 'old' values and behaviours. It is vital, therefore, that promotion and reward is alignment to your new culture, values and behaviours at all times, and that this is transparent to all your team.

7.   Avoid overpromising the outcomes of change – you risk causing disappointment

Don't unduly raise hopes and expectations with your colleagues if you are not able to deliver what you have promised. It will break their trust in you. My research over many years has shown that change programmes often start by raising hopes too high. Most people are willing to trust you until they are disappointed. Inconsistency, lack of tenacity, and contradiction are the most common causes of disillusionment. The higher the hopes generated at the start, the stronger is the disillusionment if you, as leader, and leadership team, let them down. It is a fine balance for leaders to tread between communicating an exciting new strategy for the future, whilst helping colleagues to recognise that achieving this will take time and hard work. This is especially the case when there have been complex developments within an organisation, notably in the case of mergers where teams with different existing cultures will be working together to envisage and embed a new envisaged culture; pace, persistence and patience is particularly important in such circumstances.

8.   Make sure you build some flexibility into your change programme

Rigid plans for change will be unable to respond to external and unplanned events. Think about the likely changes that might face your organisation internally or as a result of political, economic, environmental and social changes externally. Design a change programme that is able to adapt. We live in turbulent times, which means that organisations' strategies inevitably need to constantly evolve to meet emerging internal and external demands. It is often the case that plans for change programmes are much too static, designed to meet immediate needs, but unable to respond quickly enough to the changing strategic context. This rigidity can lead to partial or complete failure of your change efforts. Regularly and effectively engage people across the organisation to review and adjust your plans and strategy, whilst remaining consistent to your purpose.

9.   Invest in your change programme over the long term

Budget for the change programme to continue over an extended period, typically a number of years, necessary for embedding change to organisational culture. Don't assume that a powerful launch will be enough to sustain it. I have witnessed a number of organisations that have been well on their way to genuine cultural change when their existing financial allocations to this ran out and no renewal of budgetary commitment took place. Most organisations measure the early results of their actions for

change, in order to justify their spend on a change programme but forget to plan for the long-term reinforcement of this change, including through training, coaching and communications. Without a long-term plan, you risk losing your initial investment, and undoing the original good work. Coaching and facilitated processes - that bring fresh learning whilst strengthening leadership and teamworking - can help people work through issues of embedding change.

10. Be suspicious of basic formulae offering you simplistic step by step organisational change processes

However appealing basic formulaic approaches may appear, the simpler they are the more unrealistic they are likely to be. Leading change is a complex and challenging process. Simplistic models of cultural change may be easy for you to follow but they won't work in the long term. Any prescription that advocates a step-by-step approach without recognising the complexity of individual, team and organisational behaviour and the uniqueness of each circumstance is destined to failure. Good leaders – and external facilitators that contribute – will take time to keep listening, reviewing and reattuning programmes of change to ensure that they are relevant and effective at each point in time. Different approaches, resources and tools are effective in different situations, and it is wise to keep checking in to ensure what you are doing is relevant.

Before closing, we will share one of the tools that we use, the "Cultural Tree"

The Cultural Tree

Based on extensive research by Gerry Johnson and Kevan Scholes, who developed the widely used Cultural Web, we have reframed the metaphor as the Caplor Horizons Culture Tree. This is a metaphor that we have found resonates widely with our clients and partners. It particularly highlights the importance of growth with the vital role of a tree's roots – in this case organisational values and behaviours – in nurturing this. The tree is depicted below and is a useful framework for diagnosing your existing culture and deciding what needs to change and the priorities for this change.

Values and behaviours

At the roots of organisation's 'cultural tree' we argue that our values and behaviours form the living essence, stability and continuity of our cultures. If we can communicate and live these values and behaviours, through our actions we will be better able to ensure alignment of culture and strategic direction across the organisation and a clearer understanding of our purpose and what matters. Values and behaviours, along with other aspects of organisational culture, notably beliefs, are of course the lifeforce of culture; however, as the tree's roots are hidden from view, they can be most difficult part of culture to fully grasp and articulate. The values espoused by organisational leaders may often contrast with the lived values of the organisation. This can be a problem. So, we need to differentiate between our espoused values (what we hope to achieve in future) and our lived values (what we are right now). This is where having well defined and clear behaviours are so important, consistent with an organisation's wider description of its culture, including its beliefs.

Our paper entitled 'Understanding, Living and Leading the Values of your Organisation' elaborates this, and discusses how we might diagnose, communicate and live our values. When we engage in long term and sustainable cultural change we need to start by understanding whether our values need to change, and if so it is best to start the change process at each of the branches. As in the natural world we need to prune and care for the branches, and in so doing the roots will take care of themselves.

The Culture Tree
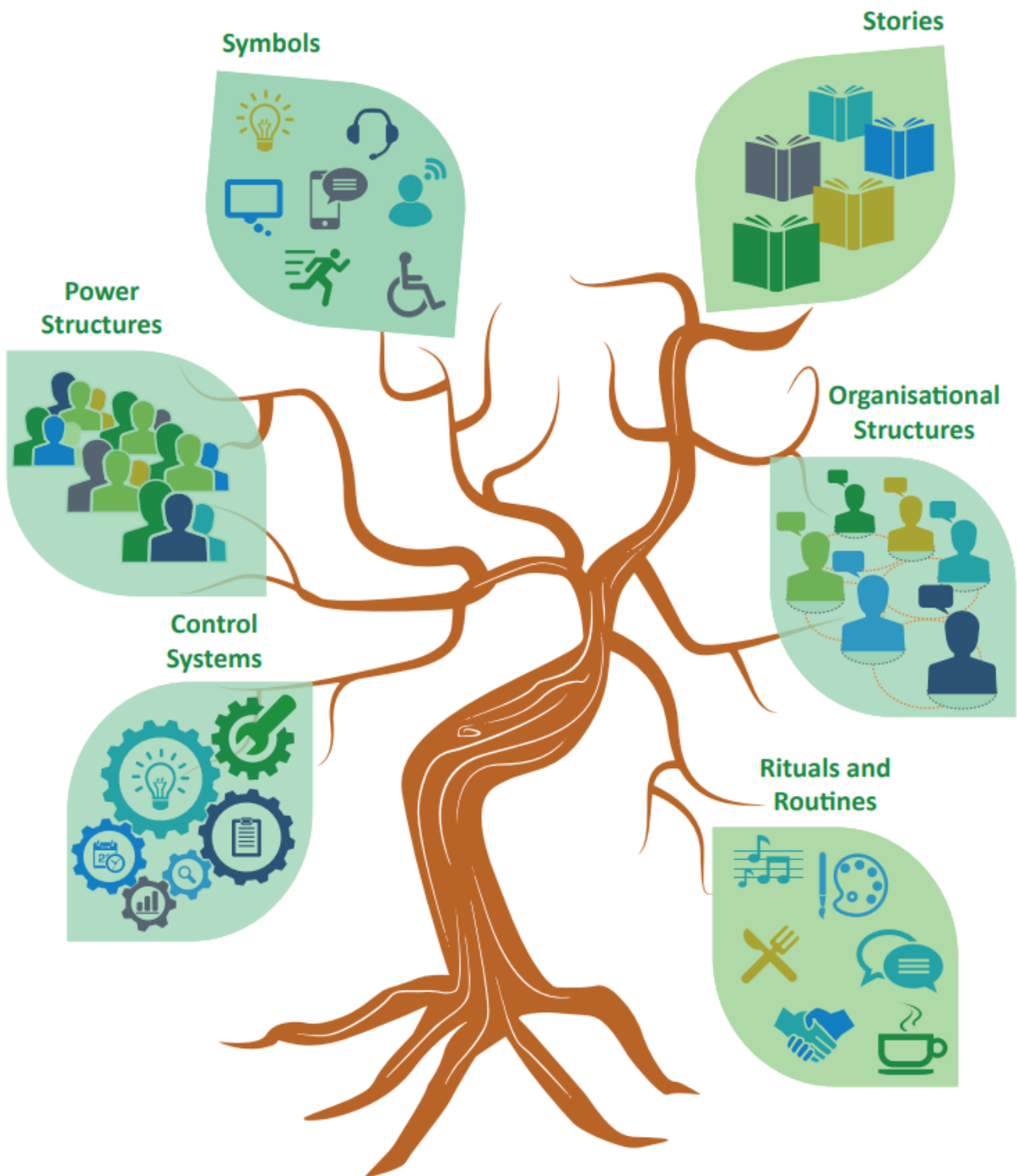
Organisational Values and Behaviours
(influencing all elements of culture and at the heart of all decision-making)

Working on culture at the level of the branches…

Symbols

Many aspects of culture can be seen through the symbols in our organisations. Symbols are all that we see when we walk around the organisation, even if this is virtually as is so often the case given the acceleration of digital working due to the pandemic: dress, pictures, charts, working spaces (home or office), and so on. What do these tell us about this organisational culture and the values it lives? One of the most effective ways to shift our cultures is to change these symbols to mirror what we want to be. Do we want the CEO or members of a leadership team to sit at the 'top' in whatever ways this is symbolised? Or do we to change the symbols, with the CEO and leadership teams seen to be accessible to colleagues and the manifestation of this visually depicting greater equality.

Stories

Leaders often overlook the power of the stories that circulate around the organisation to influence and illustrate culture. The stories often tell us about the heroes of past and present, the behaviours of the leadership and how people are managed, or events in the near or distant past that mean something to people. If we wish to change culture, we need to manage these stories to ensure that the most frequent and powerful stories are those most representative of who you want to be. One leader we encountered, for example, made a point of visiting all corners of the organisation to take the temperature of the organisation and hear opinions. These visits became a story in themselves about a CEO who cared about people.

Organisational structures

Organisational structures can shape a culture. If, for example, you are seeking a more adaptive and creative culture where ideas are generated across the organisation a mechanistic, top down structure will do little to support this. Changing the structure including reporting lines can make a significant impact on culture as such change will also be symbolic to all.

Power structures

Power structures may differ from organisational structure as those were where the real power lies. Sometimes we find the power within certain functional groups, or in a particular team. Sometimes too power resides in a job (even one which is at a low level in the hierarchy) that has high influence in the organisations (e.g. a heroic figure who commands respect). Changing culture and structure often destabilises power bases, and sometimes this shift can be a critical part of making change happen, especially where there is a group or organisational layer that is resisting change.

Control systems

We often ask organisations what they measure most. Is it revenue and funding, quality, productivity, or innovation. In not-for-profit organisations it is frequently impact. We encourage a '4P' lens on this: Planet, People, Prosperity, Purpose. What controls are in place to shape behaviour? What needs to change in

order to bring change about? If you want creativity and innovation what controls are in place that might be barriers to this change?

Rituals and Routines

Rituals and routines tell us a great deal about cultural norms and changing some of these can start to create a change of culture. For example, what do we celebrate routinely? Long service or impact? Personal success or teamwork? What do our annual, monthly and weekly rituals represent to the people across the organisation? What should we do more of to emphasise our values? If kindness is a value, what routines would enable more kindness?

Conclusion

Cultural change is not an overnight exercise. Culture will not change just because you announce that it is changing. Working to change culture takes time, consistent and transparent effort and role modelling by leadership, frequent communication and representation of the new culture, and a recognition of what has gone before. Change will be resisted unless people are given enough time to make the transition from the present to the future. William Bridges depicts this as in the diagram below:
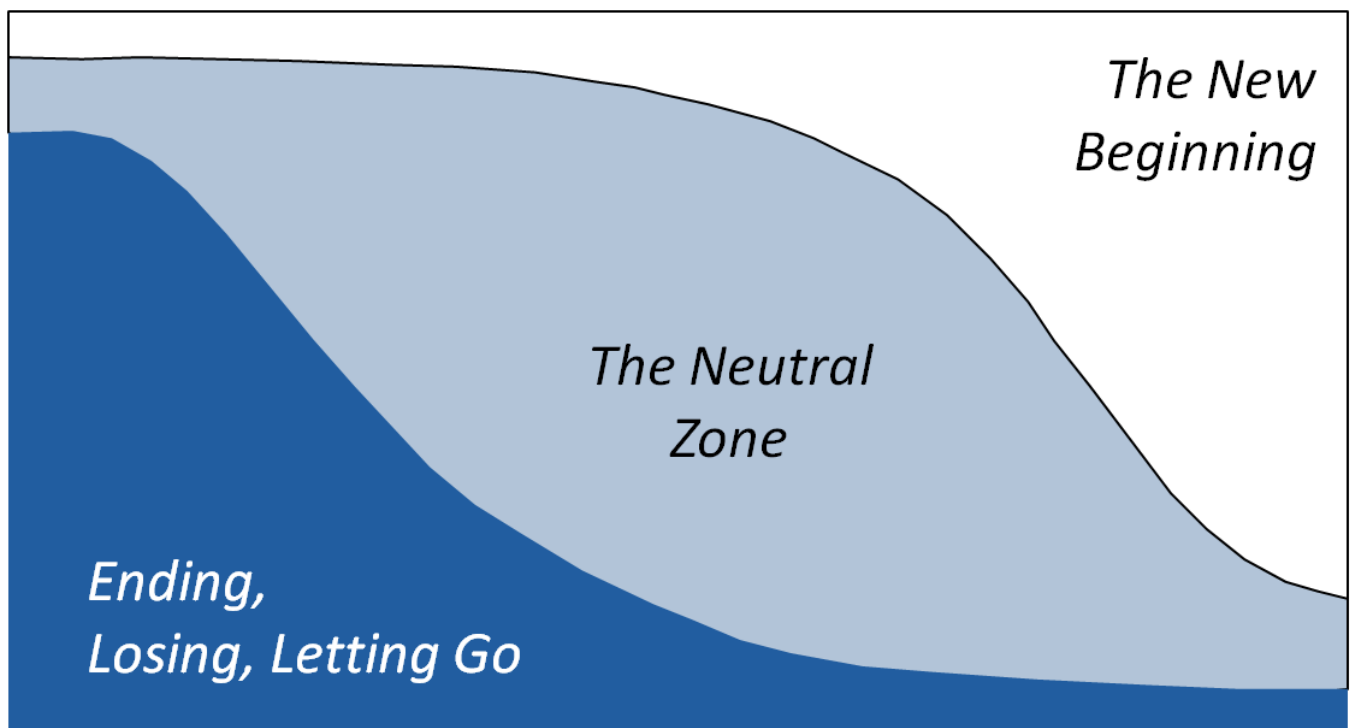
People will need to work with each other to help everyone to accept the 'Ending' and let go: to understand why things need to change, and how this need has come about. In the 'Neutral Zone', people may have understood the need for cultural change but not what it means for them as individuals. Colleagues can help each other to find their place in the change and see their part in the future culture. Finally, 'New Beginnings' will happen when people have had time to let go of the ways of the past, understood how they fit into the new organisation, and then feel skilled and competent to enact their new roles. This typically emphasises the case for facilitated processes to embed new ways of working and coaching programmes to support people to make the changes relevant to them.

Summary – Ten important practices that will help leaders to avoid the pitfalls of cultural change

1. Diagnose your culture carefully before taking any premature leadership action!

2. Learn to be both patient and persistent – do not give up

3. Avoid confusing messages. Be consistent and clear.

4. Make sure that your leadership team is united - and address disagreements openly and quickly so that they do not fester. This is particularly important if your organisation has been through a merger.

5. Think about your leadership succession early in order to ensure that you do not lose momentum if the leadership changes.

6. Make sure your symbols, processes, systems and procedures are aligned and consistent with the messages in your change programme

7. Avoid overpromising the outcomes of change – you risk causing disappointment if hopes are raised prematurely.

8. Make sure you build some flexibility into your change programme in case the environmental context changes.

9. Invest in your change programme over the long term. This cannot be a quick fix.

10. Be suspicious of basic formulae and management gurus offering you simplistic step by step organisational change processes. They are unlikely to stick.

Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

Our vision is: *A world where leaders deliver a sustainable future for all*

Our purpose is: *To be courageous, compassionate and creative in facilitating transformational change*

Our values are:

- **Courage** – We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations

- **Compassion** – We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others

- **Creativity** – We learn, think and act differently, and are innovative and resilient in an ever-changing world

Our beliefs are:

- Through diversity we ignite dynamic innovation

- Collaboration helps achieve greater impact

- Everyone matters

- We are all leaders in our individual and collective ways
 – we are all change makers!

- Learning is more effective if it is fun, engaging and creative

- Building on people's strengths creates greater resilience

Our strategic goals:

- Goal 1: Transforming Leadership

- Goal 2: Strengthening Resilience

- Goal 3: Increasing Collaboration