Changing Organizational Culture

A lot of research has focused on changing the organizational culture, however I feel that this is rather a misnomer since culture can only be aligned to the structure. The essence and purpose of culture is to reinforce the structure, thus culture can be modified only when structure is modified or created, or in some cases does not conform to the structure.

What necessitates a cultural change?

There are four common scenarios that would require cultural change, these are briefly discussed below.

1. **New organization**: When a new organization is founded, focus on the culture is the last thing on the founders’ priorities, their main challenge is business success of the venture. The culture evolves naturally, devoid of any conscious effort and can be linked to the founder’s leadership. This hindsight can prove to be an expensive mistake if the organization succeeds or grows. Not always a new organization implies a new venture, sometimes large corporations are split into smaller separate business units or corporations and under new leadership or structure, might desire a different culture.

2. **Re-Organization**: An existing organization is restructured due to various factors like new leadership, new business vision, competitive landscape, growth or downsizing; such structural changes also demands change in organizational culture.

3. **Mergers & Acquisitions**: Cultural clash is a common phenomenon when two very different organizations are merged due to business reason. Lot of mergers fail miserably not because the analytical analysis and it’s financial benefit was incorrect, but rather due to incompatible cultures that propel employees to disassociate themselves with the organization. Hence it is important to assess the cultures and analyze whether they can be comfortably changed according to the new organization.

4. **Ineffectiveness**: A change is required if the existing culture is ineffective in meeting the management’s proposed values and expected behavior. Lower productivity, lack of enthusiasm or motivation, nonchalant employees, overwhelming management control are some indications of the culture’s ineptness.

Cultural Assessment

Assessment of the existing culture is the important first step in changing the culture, it requires a facilitator who understands the concept of culture. The facilitator can be someone from the organization or an external consultant but certainly cannot be an influential leader or one of the founding member. An external consultant has the advantage of providing unbiased opinion on the observations but might lack the knowledge related to organization’s technology or operations.

1. **Interviews not questionnaires**: Every organization’s culture is unique, like a DNA, therefore it’s not practical to formulate a common set of questions that could help in assessing the culture. Surveys and questionnaires are effective tools for measuring the employee satisfaction and overall organization’s performance. However, culture is a consequence of a shared belief among a group of employees and thus individual
responses will result in an invalid observation. A group interviews by a knowledgeable facilitator is the best means to assess and plan a cultural change.

**Summarize the Artifacts:** Observe and note the following artifacts in the organization

1. Does the organization have any required **dress code**? What are the **working hours**? Does it allow **flexible working** hours and location? How is the **workplace designed**, does it have shared offices, conference rooms etc?

2. How much **authority** does employees have at each level? Is the organization hierarchical or flat? Are **decisions** made only by the superiors? What kind of position does the management take when decisions prove wrong?

3. How much of executive decisions and strategies are **communicated**? How much of detail is presented and what kind of forum is used? How are **meetings** organized and conducted? How effective and open are the conversations in the meetings?

4. What kind of **language** is generally used in day-to-day conversations? This includes all mediums like presentations, email, verbal communication, jargons and acronyms. How do employees address each other in meetings and especially during disagreements?

5. What kind of **stories** are told and how are they perceived by the employees? Stories can be either motivating or demoralizing. What kind of **rewards**, employee socialization, rituals and ceremonies are routinely observed in the organization.

6. What kind of **work & life balance** is considered to be acceptable in the organization? In a cultural context, it is *beyond the benefits and policies that are prescribed by the human resource*.

**Test the Values:** Organizational leaders set the desired values that they expect to be observed. However the practiced values can be very different than the advocated ones, such contradictions have an adverse effect on the culture. Consider a horizontal organization where teamwork and collaboration are the espoused values, however the organization lacks appropriate performance management, very soon employees realize that there is little benefit of collaboration. As another example, innovation is one of the values, but the employees that fail to deliver are dealt unfavorably.

**Probe the Assumptions:** During the group interviews and testing the promoted values, the facilitator must find out the assumptions employees have about the cultural values. Do they view the artifacts and values as just corporate rituals, i.e. the employees feel detached to them? Do they feel that they are applicable to perhaps the higher levels? A culture of innovation might be perceived to be applicable for scientists in the organization, the bottom employees just have to follow directions. Or perhaps they totally misunderstand the values, e.g telecommuting is understood as rarely to work from office.

**Cultural change strategy**

1. **Design new cultural artifacts:** The facilitator needs to identify the existing artifacts that are ineffective and recommend new artifacts including their appropriate promotion strategy.

2. **Promote cultural values:** The values have to move out of written statements into practical applications in the field, there are two methods of achieving as described below.

   1. **Leaders & Managers** need to believe and then champion the cause of cultural promotion, they must have authority to take necessary decisions required. This is only possible when the cultural values are in some way measured and are included as one of the performance goals of the managers.

   2. **Socialization of the employees**, new or old alike, well planned social events help in defining and promoting cultural values. The emphasis here is on subtly directed socializing; which group or individuals needs to be introduced to whom, senior vs. junior employees, does the event have champions who have been given some directions? Usually the socialization are ineffective due to lack of any objectives, a group of people are brought in a common site but they end up meeting with their daily coworkers.
Reinforcement: The purpose of cultural change has to be strengthened within the organization with various motivational tools, the culture should be treated just like other management objectives. Employees who take an extra step to observe the values need to be rewarded, they must be viewed as role models for others to follow. One the other hand, the employees who do not believe in those values have to be eliminated from the system to reduce their negative influence.

Challenges in changing cultures

1. Difficulty of cultural assessment: The main hurdle is that it is not easy to measure the culture or its effect; often it gets influenced by prejudices and assessment is more subjective than objective. Culture has its roots in applied psychology and behavioral science and not in objective and provable methods of scientific enquiry. Hence it depends upon the ability of the leaders who are designated to champion the cause.