Achieving Organizational Change: The Importance of Organizational Culture

Presented by:

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This presentation discusses how organizational culture impedes and supports change.

The presentation addresses:

- The role of organization culture in the success or failure of change initiatives
- The discipline of organizational change
- Elements of an effective change strategy
- Implementation imperatives and pitfalls
What *IS* organizational culture?

An “empirically based abstraction”

“A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems

Edgar H. Schein, *Organizational Culture and Leadership*, 1992
What is organizational culture?

- Shared understanding of the organization’s mission
- The values that guide decision-making and activity
- The focus and management style of senior executives
- How employees think of their relationships with others
- How the organization conducts its day-to-day business

The sum of these factors:

*distinctive organizational personality*
Why does organizational culture matter?

Culture is important because it affects:

- What the organization considers to be “right decisions”
- The attitudes of stakeholders to the organization
- What individuals consider to be appropriate behaviours and how they interact with each other within the organization
- How individuals, work groups and the organization as a whole deal with work assigned to them
- The speed and efficiency with which things get done
- The organization’s capacity for and receptiveness to change
Why change an existing culture?

It may be time for change when:

• Circumstances change
• Stakeholder expectations change
• Organizational demographics change
• Objectives change
• Ingrained attitudes and practices produce negative outcomes
How is change commitment built?

- Awareness
- Understanding
- Positive Perception
- Commitment
- Adoption
- Internalization

Definitions & Planning Phase
- Alternative
- Confusion
- Negative perception
- Active resistance
- Implementation challenges
- Unrealized ROI

Implementation Phase

<table>
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<tr>
<th>Types of Stakeholder Engagement opportunities</th>
<th>Printed material</th>
<th>Face-to-face info sessions by leadership</th>
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<td>General info. Sessions</td>
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What is involved in a change strategy?

Leadership
Support

Stakeholder
Management

Communication
and Engagement

Measures,
Milestones &
evaluation

Organization
Structure &
Roles

Training &
Performance
Support
What is involved in a change strategy?

- Leadership Support
- Stakeholder Management
- Communication and Engagement
- Measures, Milestones & Evaluation
- Organization Structure & Roles
- Training & Performance Support
What is involved in a change strategy?
Organizational change implementation stages

Stage I - Setting a Climate for Change

*Sample Activities*

- Executive Briefing on the initiative
- Change readiness assessment
- Change leadership plan
- Communication plan
- Orientation session for project team members
- Training plan for team members
- Change leadership training
- Team building sessions
- Leadership alignment
- Creativity workshop
Stage II - Enabling the Whole Organization

Sample Activities

- Visioning session(s) with key stakeholders
- Stakeholder consultation
- Change readiness assessment (performance against plan)
- Leadership coaching & action planning
- Team renewal (team-building)
- Identification & enrolment of change agents within the organization
- Face-to-face communications with larger stakeholder community
- Identification of impacts of new technology & processes on individuals
  - Skills
  - Structure
  - Physical location
- Change agent training
- Employee Workshops
Developing a Change Strategy

Stage III: Implementing and Sustaining New Ways

*Sample Activities*

- Change readiness assessment (performance against plan)
- Skills gap analysis
- Workforce transition including related HR policies & programs
  - new hires
  - transfers
  - relocations
  - promotions
  - position cuts
  - training
  - performance evaluation
  - compensation
  - reward and recognition
  - career development and planning
Why does culture often thwart change?

Culture generally supports doing things the way they have always been done.

We tried that years ago and it didn't work.

Nothing will ever change around here.

Things are changing so fast that if we buy one now it will soon be out of date. Let's wait...

This requires extensive and thorough analysis.

A lot of change is just for the sake of change.

If only I had time...

You can't teach old dogs new tricks.

Let's wait...

Organisational change is like pulling up your plants to see how the roots are coming along.
What does successful change require?

Imperatives

• Have a good plan to work from with clear objectives and tasks
• Have compelling reasons for the specified change
• Demonstrate strong change leadership and unswerving commitment at the senior management level
• Insist on middle-management ownership of the process
• Implement a program of ongoing communication and training
• Provide access to expert resources and on-going support for change at the staff level
• Measure progress towards the goals and continually adjust
What pitfalls should be avoided?

Pitfalls

• Competing or unclear change initiatives
• Lack of management ownership
• Differences of opinion and approach among senior leaders
• Unrealistic time lines and/or lack of dedicated resources
• Failure to embed the desired changes in work processes and performance standards
• Failure to consult, engage and communicate
• Failure to measure progress
• Lack of recognition and rewards for progress - and consequences for failure to live up to expectations.
Questions / Discussion?