

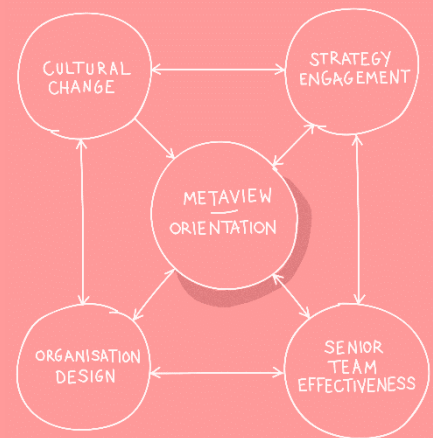
## Culture... where to start?

The realities of  
Culture Change  
in Organisations



## About Metalogue Consulting

We are a team of organisational development consultants with deep experience and expertise in:



### Developing the capability of leaders

We have a reputation for our work in developing the capability of leaders, change agents and consultants. We're progressive thinkers, constantly developing new approaches.

### Conversation is the key to business

We believe that conversation is the key to better business. This is because organisations are made up of people with skills and ideas, with opinions, needs and uncertainties that go beyond anything that's ever been written on an organisation chart.

### People, patterns and processes

We are interested in people, in patterns and in processes – especially social ones. We listen, we talk. We tell you what we've heard and what we think. We give you the opportunity to think differently.

**In our consulting work we help you to have the critical conversations that are needed to explore possibilities, overcome difficulties, and realise opportunities.**

**If you would like to explore how we can help you, then please contact Andrew Day at [andrewday@metalogue.co.uk](mailto:andrewday@metalogue.co.uk)**

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# 1. Introduction

Organisations have become more serious than ever about culture. Shifting changes in societal values, globalisation, rapid technological innovation and the climate emergency raise fundamental questions about the role, nature and form of organisations. Yet, despite their efforts, many organisations continue to grapple with the challenge of changing their culture to transform what they do and how they do it. In recent years, we have witnessed a series of crises and major disruptions in banking, retail, health, international aid, automotive and other sectors. All of these high-profile cases and others could be understood as problems of cultural adaptation leading to the decline, collapse or reputational damage of the institution involved.

Almost all of our clients have in recent times been engaged in attempts to develop or change their culture. They tell us how tricky, demanding and ultimately disappointing these types of projects can be.

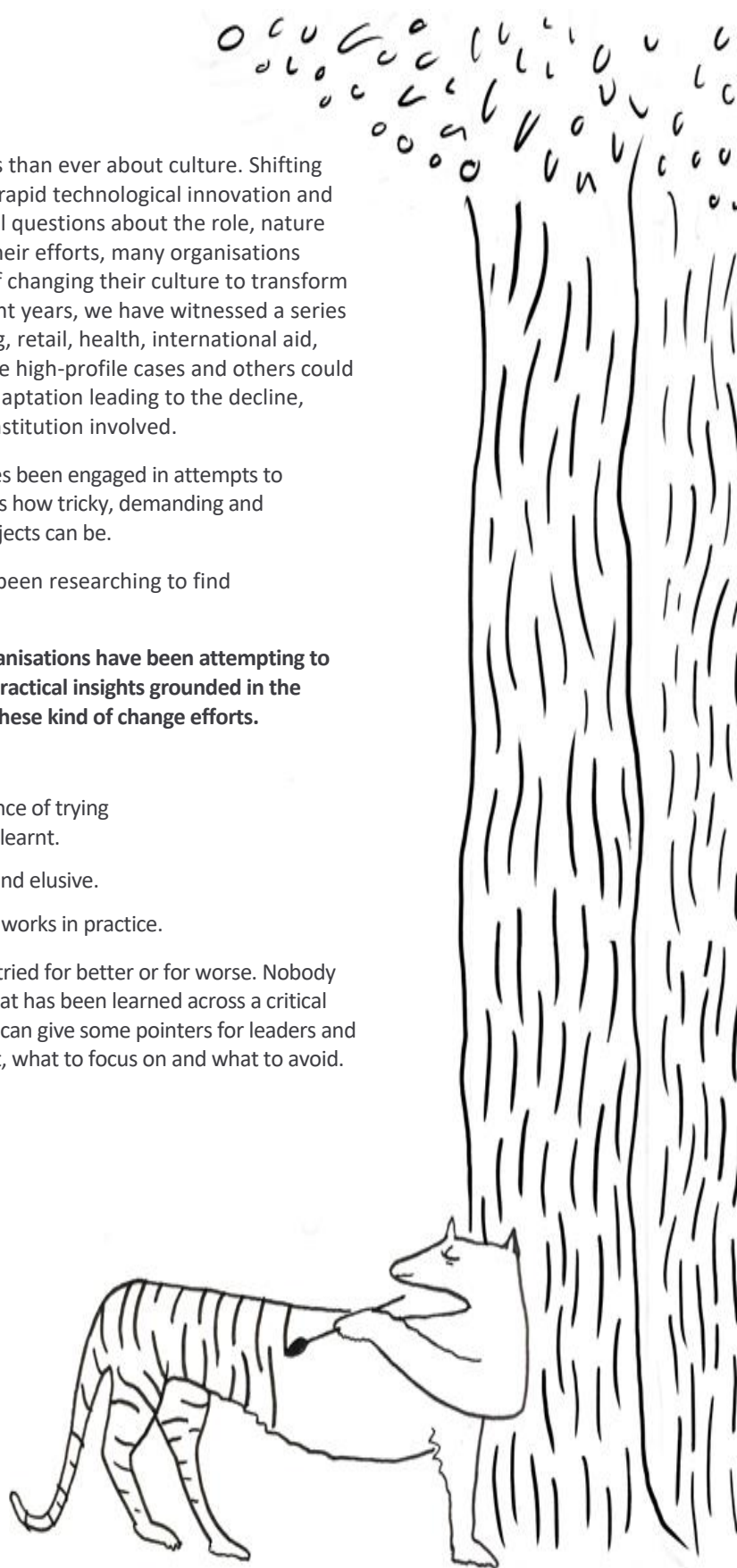
To understand these challenges, we have been researching to find out more about what happens in reality.

**This report summarizes how different organisations have been attempting to change or develop their culture. It offers practical insights grounded in the experience of those who lead or support these kind of change efforts.**

It explores:

- Leaders and OD practitioners' experience of trying to change culture and what they have learnt.
- Why culture change is so challenging and elusive.
- What we have discovered about what works in practice.

What follows are stories of what has been tried for better or for worse. Nobody has definitive answers but by looking at what has been learned across a critical mass of organisations, we hope this report can give some pointers for leaders and practitioners about where and how to start, what to focus on and what to avoid.

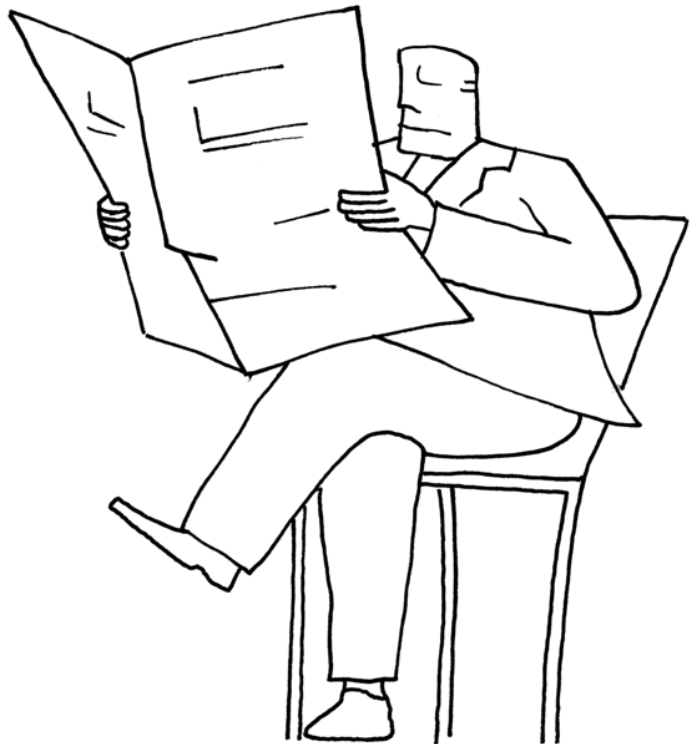


“

*...he only takes portions  
of existence and fancies  
that the whole...*

”

**William Blake**



## 2. Executive Summary

### Key observations & insights

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- 1** **Organisations are experiencing an unprecedented and growing pressure to prioritise and invest in culture.** At a fundamental level, society's expectations of organisations are changing. Equally, market pressures and new technologies challenge established cultural norms and identities. This means organisations are *having* to adapt and transform what they do and how they do it, in order to survive and thrive in a changing world.

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  - 2** **Many organisations separate culture from strategy, structures and processes.** This is done in different ways. For instance, culture becomes a workstream, or responsibility for culture is delegated to a function, such as HR. This overlooks how strategies, structures and processes are themselves manifestations of culture and implies that one person or group has responsibility for it (rather than everyone).

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  - 3** **Culture change projects are often experienced as ambiguous, overwhelming and unrealistic.** Many organisations embark on large-scale and complex culture change initiatives that make 'big', and often unhelpful, assumptions about what is necessary, what is possible and what employees want. This often results in those involved or affected feeling frustrated, disappointed and hopeless.

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  - 4** **The uniqueness, complexity and multiplicity of cultures gets overlooked or not fully understood.** Our intuitive judgements of a culture are often overly simplistic, generalised or biased. In practice, organisational culture is complex, consisting of co-existing and different sub-cultures that are constantly evolving. Behind this richness and diversity lie unique belief systems that are maintained through artefacts, myths and stories of the past.

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  - 5** **Most organisations struggle with knowing what to do and where to start to change culture.** Culture change initiatives present a range of dilemmas and choices: start small or be bold and ambitious; be targeted or holistic; focus on systems and structures or behaviours and values, etc. The approach that is taken reflects assumptions and beliefs that can themselves reinforce or disrupt cultural patterns.

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  - 6** **Culture change is difficult, challenging and takes time.** This is because people struggle to see how they are re-creating cultural patterns and because doing things differently creates uncertainty and discomfort. Acceptance of the need to change and displaying an authentic commitment to change are critical. Without awareness, cultural norms exert pressure on people to conform and acting differently can be hard to maintain.
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## Implications for practice


Leaders and change agents need to:

- 
-  **Ensure culture projects focus on what employees care about and want to achieve.** Instead of ambiguous and all-encompassing change programmes, leaders should focus on achieving specific and tangible aims that matter to people and will make a difference. This needs to be translated into a simple, coherent and straightforward narrative that links the desired changes with the organisation's long-term health and survival.


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  -  **Create a rich description and shared understanding of the current culture.** Exploring stories, artefacts, rituals and myths reveal rich, complex and deeper layers of culture. This can supplement more quantitative and abstract methods, such as surveys. This gives leaders and change agents insights into how to influence deep, sustained and meaningful change in support of what they are trying to achieve strategically.


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  -  **Disrupt deep cultural beliefs and assumptions that maintain the status quo.** Culture change processes have to challenge and disturb established patterns and habitual ways of working. For this to happen, people need a 'cultural mirror' to see how their actions can reinforce the very patterns they wish to change. This requires them to slow down, to notice what is going on and in what context, and to uncover what beliefs and assumptions lie behind their habitual responses.


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  -  **Help leaders to act congruently and consistently.** The behaviour of influential leaders, such as the CEO and the Executive Team, is highly symbolic, signalling which changes they actually believe in and which they do not. They need to be congruent, reliable and dependable in both their messaging and behaviour. This is only possible if they are fully committed to what they want to change. Ambivalence leads to inconsistency, contradiction and loss of trust.

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  -  **Change structures, processes, workspaces and policies to reinforce important cultural messages.** Each of these elements communicate cultural assumptions and beliefs. They influence how people think, how they see the world and how they act. Attention needs to be given to what is explicitly and implicitly communicated. If 'the medium is the message' then simply changing one without the other is likely to create contradictions and confusing signals about intent.

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  -  **Play the long game!** Meaningful, deep and sustained change takes time, perhaps two to three years at a minimum. Progress may be slow at first as employees test and wait to see if leaders and their colleagues are serious and willing to act. Be prepared for periods of slow progress, setbacks and sudden shifts. You will need to be clear about how and when you will know that things are changing, and then help people to notice what is different.
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### 3. The realities and challenges of culture change

#### Organisations are experiencing an unprecedented and growing pressure to prioritise and invest in culture

Organisations are investing in, or concerned about, their cultures because they are facing significant economic, political and societal pressures. These arise because of external trends, such as the rapid pace of technological innovation, the environmental crisis, globalisation of markets, etc. Such rapid and fundamental changes create new adaptive challenges<sup>(1)</sup> that ultimately threaten the existence of the organisation. These adaptive challenges are emergent, complex and ambiguous and they necessitate changes in values, roles and relationships across organisational boundaries. They also require the organisation to transform what they do and how they do it. For some organisations, such fundamental shifts are leading them to look seriously at their purpose, values and environmental impact. Crises or major events often act as the trigger for organisations to look at their cultures, however, the underlying issues and dynamics tend to be long-standing and deeply ingrained. In a number of cases, pressures from shareholders or other powerful stakeholders has led to a change in CEO and other executive leaders. These new leaders have either decided or were hired to bring about a transformation of the organisation which included changing its culture.

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**Culture is a pattern of shared tacit 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 Schein <sup>(3)</sup>

In our research, we learnt of organisations engaging in culture initiatives to:

- Accelerate the speed of technology innovation to compete in a rapidly changing market.
- Enable growth without losing the essence of what has led to the company's success.
- Integrate health and social care in mental health to dramatically improve impact for patients in a context of restricted funding.
- Leverage know-how, talent and economies of scale across a decentralised and regionalised international construction company, and
- Create a new business through a merger to compete and survive in an increasingly commoditised market.

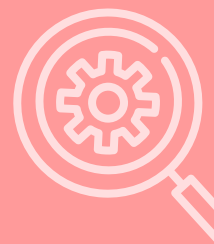
To address such challenges, organisations have to look at how people work together, leadership, how decisions are made, their values and beliefs, boundaries, structures and identities, risk taking, innovation and technology development. These issues are all manifestations of culture. Changing them stirs up emotions and existential anxieties as identities, norms, kinship ties and boundaries are challenged. **Cultural adaptation therefore involves discomfort, disruption and disturbance.**

The adaptive process also requires employees to let go of what they know and what they valued about the past. For instance, a fast-growing consumer business engaged us to help them to 'codify' and protect their culture as they expanded internationally. What proved to be effective in helping people to co-exist and thrive in the past was seen as less relevant and even inappropriate in new contexts.

Consequently, at the heart of any culture change process is an important conversation around what really needs to be maintained or protected.

## Go digital or disappear

A partnership grappled with a digital transformation that cut across their entire business. Whilst they were currently a market leader they feared that new entrants and business models would destroy their business over the next few years. Digitalisation affected many aspects of the organisation including how data was handled, how they engaged with their clients and how their brand values were translated locally. Culturally, the partnership valued relationships and informality above all else. As a consequence, governance processes were complex, ambiguous and inconsistent, with devolved responsibility to different countries and business lines. As the digital transformation progressed, they became increasingly aware of how their ways of working made it difficult for them to make decisions that were in the interests of the overall business and its survival.



In a smaller proportion of cases, organisations undertake culture initiatives to reconcile new or long-standing internal tensions. For instance, we consulted with an organisation that had a number of distinct, legacy cultures that were struggling to co-exist. Much had already been invested in trying to create better alignment across the business. But what had not been made clear, was that the trigger behind these initiatives related to the longer-term success or survival of the organisation.

The extent to which the need for culture change is clear and explicit varies considerably across

organisations. In some cases, the connection is lost between the external challenges and the culture initiative. For instance, we heard about one organisation where the sheer number of change projects created confusion for employees around the overarching intention and purpose of the culture change effort. The senior management team, however, was very clear of the threat that the business was facing and why change was important, but this clarity was lost because employees were overwhelmed by the number of change projects.



## Many organisations separate culture from strategy, structures and processes

We frequently observe how culture change becomes a workstream or a project in its own right. It is not uncommon for Human Resources to be given responsibility for culture. Alternatively, specialist departments are established, such as Diversity and Inclusion, or Safety and Compliance, who are given responsibility for specific cultural aspects of these areas. A few organisations have gone further and created the role of Chief Cultural Officer.

Another illustration of this tendency is for organisations to start by looking at strategy and structure and only later to turn their attention towards culture. This may feel more tangible, however, it assumes that strategy and structures are not themselves manifestations of cultural beliefs and assumptions. For instance, an Executive Team we spoke to had developed their structural plans without reflecting on how what they had created was in itself a product of their existing cultural 'frame'. The common underlying assumption at play here is that culture is a separate element of the organisation that can be managed as such at a later date.

## The risk of seeing culture as separate is that it overlooks how everything is a manifestation of culture.

In our experience, culture work – the surfacing and questioning of patterns of behaviour, values and assumptions – is core to strategic or structural change and cannot be separated from it. For example, a global electronics business wanted to realise synergies across its main operating units to support a growth strategy. The cultural dynamics of competition and limited collaboration that manifested themselves in the firm's governance and decision-making processes needed to be understood and explored first. Only then was it possible to identify and develop a new organisational design that represented something different and didn't reinforce old patterns.

## Two contrasting paradigms of organisation culture

### The 'engineering' metaphor of culture

Culture is :

- A 'thing' that is separate from other entities, such as structures, processes and systems
- It can therefore be measured and compared across organisations,
- Designed, planned and therefore, controlled and changed.

### The 'semiotic' metaphor of culture

Culture is:

- Patterns of meaning that are created, transmitted and maintained through symbols.
- Expressed through our behaviour, language, rituals, and artefacts.
- Ever-present, acting outside of our everyday awareness.

From this perspective, organisations are cultures that emerge out of the messy process that is human interaction.

## Culture change projects are often experienced as ambiguous, overwhelming and unrealistic

In many organisations, employees have become sceptical about 'Culture Change' projects. The OD practitioners we spoke with possessed a healthy dose of cynicism about such projects. Most had been involved in 'failed' or 'dissatisfying' projects that had not lived up to aspirations or hopes at the start.

Culture projects can feel abstract and 'all things to all-people'. They risk becoming overly ambitious or being framed as aspirational ideals that are couched in ambiguous language. Such initiatives become so generalised and all-embracing that they feel removed from the practicalities and tangible considerations of everyday experiences. For instance, a global bank wanted to be more innovative, agile and customer oriented. At face value, this appeared to be a reasonable ambition. However, in practice its achievement would require the complete overhaul of the bank's systems, processes and its hierarchical and risk-averse culture.

Often culture change projects are seen as a reversal of what the organisation had implicitly or explicitly valued in the past. The attempted changes are seen as a 'pendulum swing'. For instance, one senior manager described how their organisation was 'de-centralising' following years of initiatives to assert control and consistency from the centre.

Large and ambitious culture change programmes risk causing disillusionment and frustration because leaders and employees' expectations and hopes are not realised. If culture projects seem unrealistic, those who feel responsible for them are left feeling overwhelmed and helpless; whilst employees struggle to see the role they can play. And when change does not appear to happen, everyone is left feeling cynical about the initiative. This often ends in one or more groups being blamed - frequently senior or middle management. The size and complexity of such projects also absorb significant investments in time, energy and often internal or external consulting support.

Where organisations focus on specific aims that are linked to external challenges and future strategy, culture projects tend to be experienced as more grounded, tangible and meaningful. For instance,

a direct sales business commissioned a cultural inquiry to help them to find ways of responding to the challenge of falling sales by realising synergies between its two brands, which had historically competed with each other.

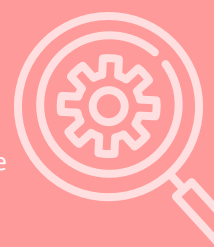
#### Examples of tangible and meaningful culture projects included:

- Improving governance and decision-making processes across a global real estate Partnership
- Making the interface between R&D and commercial teams at a pharmaceutical firm more collaborative
- Reducing the incidents of bullying across an NHS Trust.

When attempting to change culture, leaders and change agents need to manage their's and others' expectations. Helping people to appreciate what is being done, what is changing and keeping culture relentlessly on the agenda are all helpful ways to signal that change is possible and that it matters.

### An attempt to change that leads to 'more of the same'

A global business had for many years been concerned about its hierarchical, competitive and risk-averse culture. This meant the business was struggling to innovate and respond quickly to market changes. The Board launched an ambitious culture change project that started with a worldwide diagnosis of the existing culture. The Board used this to create a series of statements that described the culture that they wanted in the future. These were in the main a reversal of the existing culture. Thus, 'hierarchical' became 'empowering' and 'competitive' became 'collaborative'. Whilst calling for change, the Board tended to behave in ways that conformed with the patterns they were wanting people to change, such as being competitive with each other. Furthermore, the magnitude of the challenge of radically changing the culture of a global business of over 100,000 employees created so much anxiety that those leading the changes avoided taking risks or challenging the existing norms. What resulted was 'more of the same' and frustration from employees that their expectations of change had not been realised.



### The uniqueness, complexity and multiplicity of cultures is often overlooked

Practitioners expressed concerns about a tendency to overlook the complexity, depth and multiplicity of culture. The presence and influence of different 'tribes', 'cultures' or identity groups can be misunderstood, ignored or disregarded. Often judgements or decisions are made without understanding of specific patterns and what they mean. For instance, one high performing NHS Trust was experiencing an increase in complaints about stress levels, bullying, harassment and discrimination. The

Board and Executive framed the issue as a problem of 'culture' however they recognised they did not fully understand what was actually happening. Rather than taking a broad-brush approach, they convened a diverse working group that reported into the Board to explore what was happening in different contexts and scenarios that was contributing to these patterns.

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**...many organizational issues can be seen anthropologically as a problem in understanding diversity, where each cultural group views its own behaviour as natural and therefore correct.**

Ann Jordan<sup>(2)</sup>

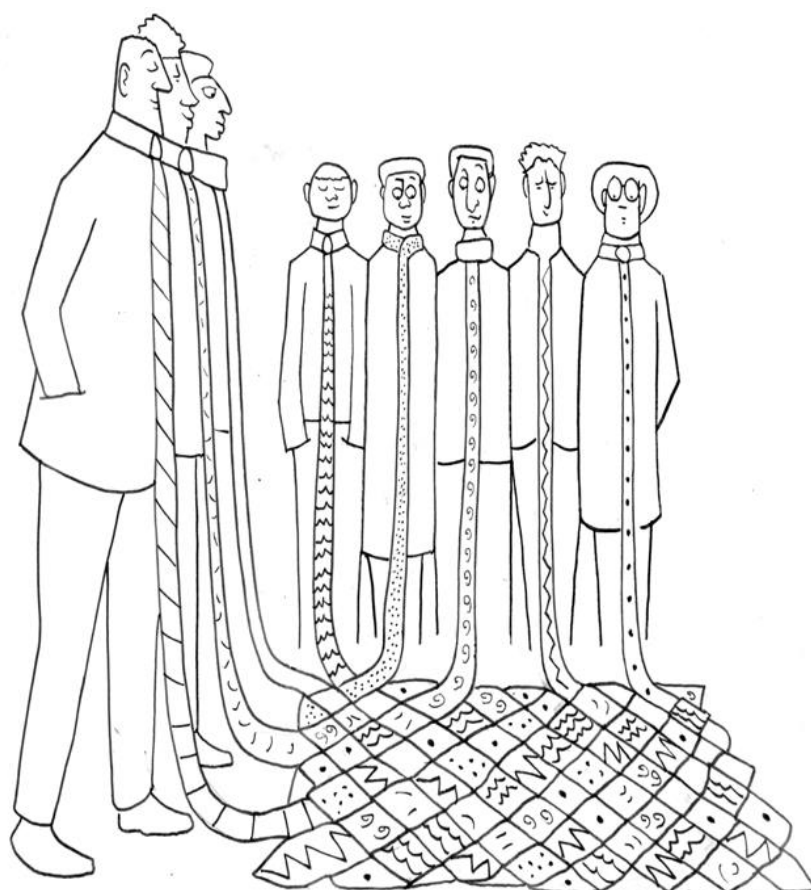
We observed a number of interpretative traps in how people describe their culture. These include:

**Oversimplification and generalisation.** Talking about the culture ‘as if’ it is all-pervasive, homogenous and consistent. Often our assessments of culture reflect intuitive judgements. These suffer from confirmation biases whereby we look for information that supports our prejudices, or generalised attributions where we take a specific experience to stand for an entire organisation. Managers can assume that what worked elsewhere can be simply transplanted. When asked to describe ‘their culture’ people tend to make simple, generalised statements or judgements, such as ‘we are too bureaucratic’, rather than appreciating the subtlety and complexity of culture. This can involve overlooking or discounting the

existence of important sub-cultures and the power relations between them. In practice, organisations (even small and medium-sized ones) are made up of multiple sub-cultures, each with their own identity and these can often exist in tension with one another. For instance, the Head of OD in a public sector organisation, commented that the leadership of the organisation tended to talk about ‘the culture’ whereas he saw and experienced many different and diverse cultures across the organisation.

**Distortion and judgement.** Forming conclusions that do not necessarily reflect what actually happens in practice. For instance, we often find that leadership teams have very different perceptions of a culture than frontline teams. Narratives about the culture can range from being overly ‘positive’ and idealising, or ‘self-critical’ and ‘denigrating’ of the organisation. Behind these value judgements often lie projections that reflect what we do not want to accept or own about ourselves. We see problems and deficiencies but not the uniqueness or meaning of the underlying cultural pattern. Experienced practitioners warn of the risk of cultural change programmes becoming exercises in indoctrination. Language such as ‘more’ or ‘less’ tends to convey judgements about the existing culture which can leave people feeling that what they value is not respected or that the past has been denigrated.

**Reifying.** Seeing culture as if it is static and consistent over time rather than continually evolving and in flux. For instance, the senior leadership of a global energy company wanted to create a digital transformation and initiated a



comprehensive programme of digital projects. In practice, these all reflected the analytical, risk-averse and controlling preferences of the management culture. What they missed, however, through this approach was the

emergence of grassroots digital initiatives in the commercial functions of the business. Rather than supporting these developments, the change programme caused them to be seen as illegitimate and a distraction.

## Co-existing sub-cultures and different languages

A global electronics business that had grown through the acquisition of niche businesses had many specialist legacy cultures. These ‘separate’ business units pursued independent strategies and tended not to collaborate. This meant that specialist engineering expertise and R&D (such as Artificial Intelligence and Machine learning) were not shared across the group and the absence of shared practices created compliance risks. The establishment of a new divisional structure required managers to invest considerable time in understanding the different decision-making practices, languages and assumptions that were used in each of the legacy cultures. We can think of this as a process of translation that was necessary before the different representatives could understand each other and start to form new groupings.



## The role of history in shaping culture

Culture and history are inextricably connected. Past events – successes, failures and crises – and how they were handled shape cultural assumptions and beliefs. They also pass into folklore, becoming myths or stories that are retold and act to maintain identities, rituals, policies and practices.

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**Culture is the stories we tell ourselves about ourselves that we forget are stories.**

Linda Smircich<sup>(3)</sup>

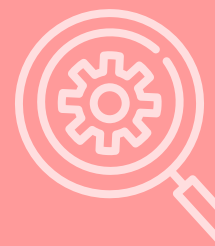
Memories of past events and an organisation’s history can play a powerful role in shaping how people look at what is

happening today. For instance, in our work with a successful medium-sized firm we heard from employees that around 10 years ago the business had come close to ‘going under’. The story was often recounted to us of how the current CEO had played a key role in introducing financial and commercial discipline to the business and had maintained morale through his optimism and ambition. We observed how today being optimistic (and not being seen to be pessimistic) carried a disproportionate emotional charge in the culture. History also influences how employees interpret what they are told. For instance, an OD manager from at an NHS Trust in special measures frequently heard staff say that they had: “been here before and nothing happened”.

**When attempting to change culture, we need therefore to honour the past and take time to understand its influence on the present.** Listening to myths and stories about the past can give us access to deeper levels of cultural understanding.

## A change of cultural identity

A German automotive supplier had grown for over 4 generations, however, the phasing out of diesel engines meant that it needed to reinvent itself by applying its core technology in new markets, such as healthcare or life sciences. They quickly realised however that the core of their workforce had connections to the organisation going back several generations, with siblings, uncles, aunts who worked or had worked for the business. Most therefore identified strongly with being part of the German automotive industry. Although at a rational level the strategy made sense, emotionally employees had to let go of a deeply held sense of identity in order to be able to engage with it. The company recognised the need for a cultural ritual to help employees to pay attention to what was ending as part of the process of strategic change.



## Most organisations struggle with knowing what to do and where to start to change culture

The complexity, scale and all-encompassing feel of culture often leaves leaders and change agents with questions around where to invest their energy, time and resources and where to begin. This is understandable as, in practice, dilemmas and choices exist around where and how to start culture change projects, for example:

- Start small and under the radar or be bold and visible.
- Create a separate culture project or see culture as integral to strategy and operations.
- Be specific and focused or address all or multiple elements of the culture.
- Focus on changing values and behaviours or changing systems and structures, or both
- Change everything at once or take one step at a time.

Organisations employ a range of strategies to influence culture including: changing leadership, hierarchical cascades, implementing new policies and procedures, and initiating social movements, etc. Each of these strategies reflect a set of beliefs about how culture changes, as well as what leaders believe is possible in practice.

Many organisations start **with** an audit or assessment of their existing culture using surveys, interviews and/or focus groups - these may be bespoke or standardised measures. The findings of this research are then fed back to the leadership team. They can, however, fall into the trap of believing that they own the culture and can therefore decide how they want it to change. This can result in them initiating cultural change programmes that reflect only **their** view of the world (together with their biases and assumptions) and how they think it needs to change. If they are not careful, they can find themselves at odds with the different cultural groupings in the organisation, who respond by resisting or opposing attempts to change what they know and value. **Attempts to change**

**organisations and cultures need therefore to be collaborative and systemic endeavours.**

Where organisations focus on specific and tangible aims that relate to realising strategic goals (such as improving decision-making, engaging employees, or valuing diversity and inclusion), culture change projects are experienced as more grounded, practical and manageable by those involved.

Those with experience of leading culture change projects feel it is best to start somewhere (or in a way that has credibility) and to start small; then develop the project on the back of learning and successes.

## Common culture change interventions

Interventions taken to change or develop culture may take many different forms and these can be broadly summarised as:

- Changes to strategy, mission and purpose
- Corporate communication campaigns
- Engagement events and staff conferences
- Changing leaders
- Leadership development programmes and processes
- Employee education and training
- Changing HR policies, processes and systems
- Redesign of work environments, buildings and spaces
- Organisation redesign.

Most organisations use some or a combination of the above. In our judgement, for change to happen action is often required across all of these areas. The challenge for organisations is working out how to sequence and coordinate interventions to ensure they are practical and reinforce congruent and coherent messages. How interventions are done is ultimately more important than what is done.

## Culture change is difficult, challenging and takes time

One theme that has emerged throughout our inquiry are the difficulties people have in seeing their role in creating cultural patterns. Often, 'others' are seen to be responsible and therefore needing to change. For example, we worked with a medium-sized business that wanted to be less siloed and more integrated across its functions. The leadership of each function believed this was necessary, however, they each felt it was the others who needed to change their behaviour for this to happen. In other words, they all believed that they did not need to change, and this meant that nothing happened. When this was pointed out to the team, they were able to acknowledge how they were maintaining this stuck pattern and to start to take greater responsibility for how they collaborated.

Many practitioners observed how easy it is to get caught up in existing cultural patterns and assumptions when trying to influence change. They reflected on the importance of holding a critical perspective, questioning their and others' assumptions and intentions. They also observed that power dynamics are core to cultural change processes, yet often remain unquestioned. Language, for instance, can be subtly inclusive or excluding, signalling to others whether their contributions and presence are welcomed or not.

Leaders often default to older habits during change. This can result in them calling for change but acting in ways that communicate contradictory messages. Those who contributed to this research observed that some level of leadership or personal development processes can help leaders and employees become more aware of the assumptions that inform their behaviour.

In many organisations cultural taboos or 'sacred cows' exist which represent the shadow culture or those aspects of the culture that cannot be spoken of or acknowledged. These influence what happens or more difficult feelings which are denied and disowned. For instance, in one NHS Trust a taboo exists around people feeling unsafe around the senior management team. Taboos make it very difficult for important issues to be discussed, understood and addressed. Their existence can make change hard or impossible, unless the leadership of the organisation are prepared to open up the topic.

As culture operates outside of our everyday awareness we unknowingly recreate and reinforce dynamics, even when we want to change. Without awareness, we risk being trapped in the images and assumptions that we hold.

**Culture change processes therefore need to motivate people to want to act differently and to make choices about what they do and how they do it.**

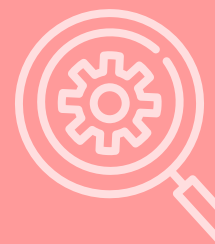
### Why are cultures so hard to change?

The fundamental purpose of culture is to enable people to live and work together.

The social norms that form therefore have emotional importance to a community or organisation. At a primitive level, the violation of social norms leads to rejection or banishment from the group. People's natural response therefore is to seek to conform and not to deviate from norms. The implication of this tendency is that people are less inclined to want to be different, to experiment or to make radical changes unless they have received public endorsement and legitimacy.

## Repeating a cultural pattern

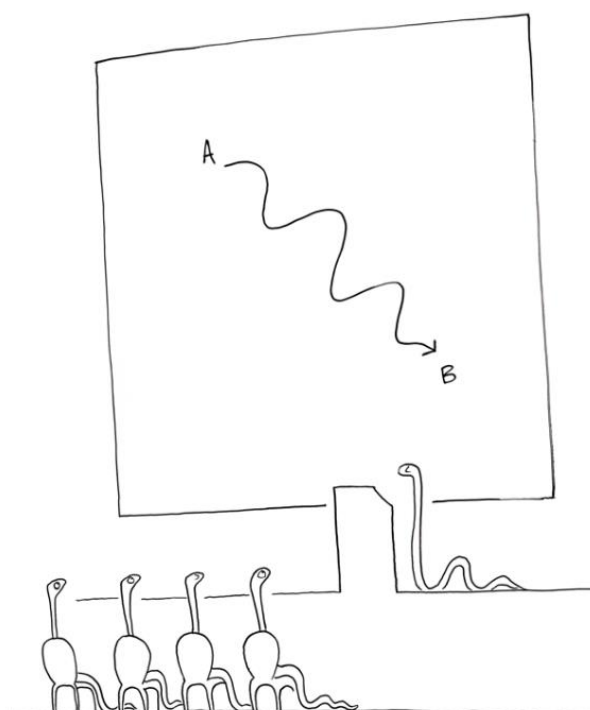
The CEO of a transport business was concerned about a culture of tolerating poor quality work, missing deadlines and avoiding confronting individuals about their performance. He realised that this stemmed from people not setting expectations or following up if they were not met. He decided to start the new financial year by being more rigorous in setting clear objectives and priorities, alongside the budget planning process. However, despite his stated intent to hold people to account, at a crucial leadership team meeting he accepted that the budget process would not be finished until a month after the new financial year had started, stating that “no one is chasing me for this”. This undermined his statements about setting a higher bar. When this was drawn to his attention he noticed how he was unwittingly replicating the pattern he was trying to change.



## Culture shapes how people interpret and engage in the process of change

Cultural assumptions and beliefs shape how employees interpreted changes and reacted to them. When changes are culturally congruent they have a far greater likelihood of being accepted. Changes that contravene deeper beliefs, assumptions or values are more likely to be opposed or resisted by those affected. Such changes require greater energy, time and resources because they require adapting values, beliefs and norms. If this does not happen, social pressure, the equivalent of ‘cultural antibodies’, acts on those who are willing to change to revert back to the established ways of behaving.

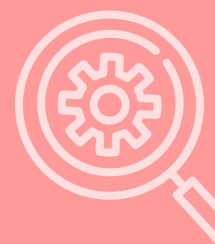
Even when leaders act with the best of intentions, they cannot control what others will read into their gestures. People create and tell stories to make sense. Social networks influence which stories get heard and passed on, and which ones do not. One practitioner told us how a company-wide communication from the CEO that was expected to be well received, was interpreted in a very different way than had been intended. The message was supposed to be about exciting opportunities for future growth and yet many employees in this science-based organisation were seeking much more tangible evidence of



why things needed to change. They dismissed the communication as ungrounded and lacking substance.

## The cultural dynamics of a digital transformation

A construction firm developed a new digital platform to manage all of its projects. The business is also highly decentralised and flexible which historically allowed each business unit to develop its own working practices. As the professional staff started to challenge early prototypes of the system, the leadership of the project realised the importance of decision-making discretion and professional autonomy as core cultural values. This led them to change the design of the system and to give the different professional groups more involvement in the project.



## 4. Implications for practice

Our central conclusion is that culture cannot be controlled, designed or moved from A to B. Rather culture change happens through *a process of 're-framing'* whereby the meaning that people attach to what they do is altered. This allows them to see a situation in a very different way which opens up new possibilities. **We believe it is more helpful therefore to aim to deliver strategic or operational goals and identify how cultural dynamics help or hinder their achievement.** Inquiring into cultural patterns develops a deep level of understanding of how and why people behave in different ways. This reveals new possibilities for action that are likely to be accepted within the cultural context and those that are sufficiently counter-cultural to signal a different way of behaving.

“

**Never start with the idea of changing culture. Always start with the issue the organization faces; only when those business issues are clear should you ask yourself whether the culture aids or hinders resolving the issues...**

Edgar Schein <sup>(2)</sup>

Cultural inquiry opens up important questions, such as:

- How is what we are observing a manifestation of culture?
- What does this issue mean to different cultural groupings that are involved or affected?
- What deeper cultural assumptions and beliefs shape and influence people's behaviour such that the issue in question arises and is maintained?
- How are these expressed and reinforced through our language, symbols, rituals, artefacts and technologies, etc?
- How can the meaning of the situation be re-framed?

### Decoding culture

**Culture is not directly observable and can only be inferred by observing:**

- Patterns of human interaction, rituals and customs.
- Symbols such as artefacts and the aesthetics of the working environment.

#### And by listening to:

- Stories, myths, language and tales.

#### To interpret:

- Deeper, taken-for-granted and shared assumptions, beliefs and values about the organisation and its environment.

Taking a *cultural perspective* involves the following steps:

### 1. Identify the adaptive challenging facing the organisation

Leaders need to be clear about what culture change is '*in service of*' and what is the intent of the project. Start by understanding what the adaptive challenge facing the organisation is - the critical challenge that the organisation needs to address in order to survive or thrive. This involves taking an 'outside-in' perspective to make sense of how culture needs to adapt to external challenges. For instance, this might mean the organisation needing to move into new markets, to serve new customers, to reconfigure its operating model, etc and, therefore, to change what it does and how it does it.

### 2. Focus on achieving what matters to people and what they really care about

To avoid culture initiatives becoming vague and abstract exercises, leaders need to target meaningful, specific and tangible issues that people care about and which will make a difference to the organisation, such as customer service, product quality, patient care, etc. These need to address the adaptive challenges facing the business. A clear, compelling and coherent narrative about what needs to change and why, that honours the past and the existing culture, gives context and meaning and creates a sense of cultural continuity.

### 3. Understand what happens today and its cultural meaning

A holistic perspective on culture embraces its full complexity, inherent contradictions and tensions, and the relationships between sub-cultures. This is best achieved by taking an appreciative and descriptive, rather than a judgemental, lens to understanding 'what is'. This involves observing and understanding how cultural patterns are conveyed and communicated through:

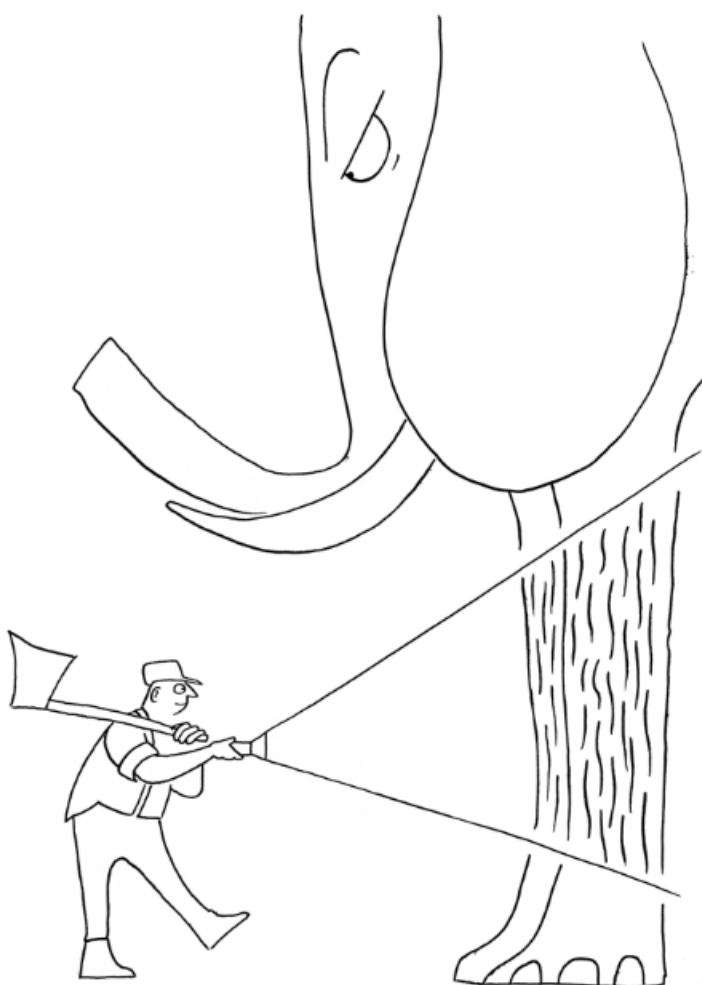
- Symbols, artefacts & objects
- Emotional climate & mood

- Language and terminology
- Myths & stories
- Heroes & villains
- Rituals and ceremonies
- Taboos and transgressions
- Identities, power and status, and
- Shared values, beliefs and assumptions.

To discover culture, people need to slow down and reflect together on their experiences. Combining both scientific and artistic methods inquiry (see table below) creates a richer picture of culture. These methods access different ways of knowing, including experiential, intuitive, emotional, practical and conceptual. This gets beyond the superficial to uncover deeper layers of culture. Furthermore, because we find it hard to see our own culture, bringing in an external perspective, such as visitors or external consultants, is often necessary to help people to see what they do not ordinarily notice.

### Cultural Immersion

We recently undertook a cultural inquiry with a consumer goods business. Over a 4-day period we acted as ethnographers by: joining regular and irregular meetings, having individual conversations with a diverse range of people (we describe these as the 'usual and the unusual suspects'), taking photos and collected artefacts or whatever caught our eye. We also paid particular attention to rituals, stories and the language and tone of what was talked about. This all provided rich material for a second phase of work. To encourage further sensemaking we used collage and other media to represent what we saw, experienced and sensed about the organisation and its relationships with its suppliers and customers.



## How to inquire into culture?

The practice of ethnography has emerged out of the field of anthropology as a way of discovering what constitutes culture. It is the study of beliefs, social interactions, and behaviours in social groups based on first-hand observation. Its aim being to develop a deep understanding of the lived experience of people and their daily lives. The intent of ethnography is to highlight the system of interwoven cultural meanings and shared assumptions – its cultural logic.

When trying to change organisations, leaders and OD practitioners can benefit by taking on the role of an ‘insider’ anthropologist who is trying to understand and make sense of social behaviour. We have discovered that helping people to explore and inquire into their own culture helps them to understand it at a deeper and more resonant level. This is a different than if we simply give them our observations and interpretations although insights can still be helpful as a starting point for further inquiry.

Cultural inquiry involves:

**Immersing ourselves and getting close to and talking to people**, as they participate in both formal and informal aspects of organisational life. This involves noticing and exploring the meaning of cultural cues such as language, non-verbal gestures, interpersonal dynamics, normalised practices, particular social roles, affinities and attachments, social transgressions, artefacts, design of workplaces, habits, dress codes, hierarchies, etc.

**Empathising with people to see their perspective on the ‘world’**. If people are going to let us into their worlds, we need to establish rapport and trust. We also need to try, as best we can, to relate to their experiences and to try to understand how they make sense of it. We need to be careful not to jump to conclusions. Be appreciative and value what the culture has to contribute.

**Expanding our awareness** to read between the lines and look beneath the surface of everyday interactions. This might involve noticing unspoken norms and assumptions and interpreting their hidden meaning. We also need to pay attention to our embodied experience and what it feels like to be present in this culture?










**Being curious about what is taken for granted** or might appear mundane, obvious or frankly bizarre - to remain open to other ways of understanding. This requires us to keep an open mind, to suspend judgement and to look beyond the obvious and to question our assumptions.

**Formulating cultural insights**. On the basis of what we observe, hear and sense, we attempt to make interpretations of the deeper cultural beliefs and assumptions that lie behind significant patterns or dynamics. This involves making links and connections between what happens in different contexts.

## Methods for discovering culture

Approaches to understanding culture can be seen to fall into two traditions: those methods that can be described as scientific, and those that are more artistic in form. Each method can help a group to describe, represent and understand their culture.

In most organisations the scientific and the rational is often privileged over other forms of knowing. Quantitative and qualitative surveys, interviews, observations or focus groups tend to produce empirical data and conceptual 'propositional' knowledge of a culture. This can be helpful in making generalised and abstract statements about a culture. To help employees gain a deeper, richer and more personalised appreciation of how they engage in cultural dynamics, we also use artistic processes. Images, metaphors and experiential exercises are often able to grab attention and communicate in ways that facts or numbers do not. They help us access alternative ways of knowing such as the experiential – what we know through embodied experience; the presentational – what we can express through images and art; and the practical – what we have learnt about how to get things done.

Artistic methods		Scientific Methods	
<b>Artefacts and Symbols</b> 	Inquiry into the meaning of tangible touchstone objects and signs that bring forth key organisational stories, beliefs and assumptions.	<b>Cultural Interview</b> 	Asking structured questions often using a standard protocol to gather data for qualitative and quantitative analysis.
<b>Storytelling</b> 	Groups share stories with each other of significant moments or myths that hold important cultural meanings.	<b>Cultural Surveys</b> 	Accessing larger numbers of people's views to identify qualitative themes and quantitative trends.
<b>Visual representation</b> 	Using image and metaphor to create non-verbal representations of the culture.	<b>Observation</b> 	Detailed specific impartial recording of organisational practices and process for examination and analysis, including photographic and video analysis.
<b>Physical representation</b> 	Physical and dramatical exercises to explore important scenes or events, power relations and individual impact	<b>Focus Groups</b> 	Group interviewing and inquiry around specific questions or frames; standard process to allow comparison across communities
<b>Theatrical Representation</b> 	Whole system representations of current and future states; good for large groups	<b>Comparative Methods</b> 	Exposure to alternative cultures to draw out difference through rigorous comparison; could include scientific anthropological techniques such as semiotic analysis

#### 4. Disrupt established norms, assumptions & beliefs

Organisations change because people reinterpret the impact and consequences of what they do. Raising awareness of the influence of culture, therefore, has the potential to disrupt what's taken for granted. Employees need to discover for themselves how they act together to create and maintain the status quo. By questioning norms and dynamics, their underlying meanings and the consequences of these, can be revealed. As their awareness grows, they start to question what they do and how they go about it. This helps them to imagine alternative ways of working.

In the words of one CEO, leaders need to be “more like curators than engineers”. The behaviour of leaders, particularly the Board, the CEO and their team, communicates powerful symbolic messages about what is valued and acceptable ways of behaving. What they actually do, not just what they say, signals what they see as important and what is not. Symbolic acts might include making tough, high-profile decisions around the closure of sites, the launching of new ventures or the change of senior leaders in key positions. It might also mean small but noticeable shifts in their language and narratives. Leaders need to consistently and repeatedly communicate

clear messages about the changes they believe are necessary. They also need to ensure that their everyday behaviour matches those messages.

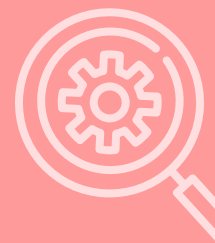
Leaders and teams often need support, coaching and development to help them to become more aware of what they do, how this is interpreted by others, and its influence on the wider cultural dynamics of the organisation.

#### Using alternative forms of representation

A manager in a science-led business chose a photograph of a calm scene alongside a tsunami image to describe his experience of constant uncertainty facing the business. In an ensuing conversation about the impact of 'Brexit', the management team realised that this helped them notice their norm of 'carrying on resiliently' with the belief that you can address any challenges that come along through rational and calm endeavour. This helped them to notice how such a response was having other unintended consequences, such as anxiety for some and complacency or disempowerment for others.

#### Theatrical representation of cultural change

In the case of the German automotive supplier, it was important to help employees to understand what the changes to strategy meant for their identity and future ways of working. In functional groups we used a physical theatre exercise to map and explore their individual and collective relationships with the change in strategic identity. This was represented by a symbolic artefact placed in the centre of the room. The “language” of physical representation helped surface tensions and perspectives in the debrief that may have remained hidden in a more typical discussion.



## 5. Change symbols, structures, processes, workspaces and policies

Structures, work processes and systems are fundamental as highly symbolic forms of ritual and ways of creating order. These may need to evolve and adjust to communicate and reinforce new cultural assumptions and beliefs. Equally, artefacts, workspaces and other symbols of culture need to reinforce congruent and consistent messages. For example, a global consumer brand decided it needed to embed a greater empathy and understanding of the diversity of lifestyles and needs of people in different geographical contexts. It made a radical decision to change the aesthetics of its various office environments to represent 'people and consumers rather than its products and brands.

In another instance, a global pharmaceuticals business wanted to create clear expectations around teamworking and collaboration across the business. To signal the importance of this change, amongst many other initiatives, it changed its performance and reward systems to focus on collective achievement and performance (rather than individual achievement).

Attention needs to be given to all major systems and processes across the organisation, not just one or two, to ensure that clear, consistent and coherent symbolic messages are communicated. This does not happen overnight, so choosing to start with ones that make a clear statement of intent is important.

**And finally...** remember that culture change does not happen overnight. Neither is it a linear process. Often people are looking for signs and evidence that leaders actually believe in what they are saying and that those around them are willing to act differently. People tend to be reluctant to commit unless they see others committing. This can mean that change is slow. This is where leadership, courage and the willingness to be different can make a difference. Culture change is more likely to take place over a period of years rather than months. Leaders and change agents, therefore, need to be realistic, committed and confident if they are to achieve deep and sustained change.

## Congruence and culture

A national trade organisation had an aspirational vision to be more ambitious and entrepreneurial. Its public sector roots had resulted in a hierarchical, bureaucratic and risk averse culture. The HR function recognised their existing performance management system, for instance, focused on the completion of a standardised form and was a 'top-down' process in which the manager made judgements about individuals. This conveyed powerful cultural messages to both managers and employees. With our help, they created a new system to reflect a 'spirit of entrepreneurial development'. This led to a more creative, agile, and future focused system. By encoding these qualities into the process, the new system helped signal how the organisation was changing.

## 6. Pay rigorous attention to what happens

As organisations continually evolve and adapt, leaders and change agents need to remain curious and sensitive to the cultural impact of what they say and do. They also need to help people to notice what is changing, what is not and what might be needed next. Reviewing actions or interventions helps people to make sense together of what is really happening and learning about what makes a difference in practice.

## 5. Summary and Conclusion

Culture change is an adaptive process that arises when ‘the way that things are done’ is brought into question and challenged because of changes in an organisation’s context.

To understand, work with and change culture, we need to identify the influence of the symbolic side of organisational life, such as artefacts, rituals, customs and myths, and to use this to identify changes that are both culturally congruent and counter cultural. A deeper understanding and comprehension of culture gives leaders and those trying to change organisations greater awareness and choice around what to do and how to do it.

To change culture, leaders need to communicate consistent and compelling high-profile messages, to disturb the everyday and mundane enactments of culture, and encourage everyone to question and challenge cultural artefacts in all their forms.

To facilitate culture change, leaders and change agents need to:

- > Translate the adaptive challenge into clear, specific and tangible goals and share them as widely as possible
- > Raise awareness of how cultural patterns are helping or hindering the achievement of the goals.
- > Use artistic as well as scientific methods to explore cultural patterns
- > Signal change through their own actions – using someone as a cultural coach to catch any blind spots
- > Challenge people to question what they do and how they maintain specific cultural patterns
- > Ensure that any changes to processes, systems, workspaces reinforce the desired cultural evolution
- > Review regularly with employees how they are making sense of what they are hearing and seeing
- > Be patient consistent and persistent!



## 6. Appendices

### Methodology & Contributors

Our research was based on:

1. Interviews with leaders and change agents involved in culture change efforts in organisations.
2. Inquiry into and reflection on consulting projects that directly or indirectly affect culture.
3. Observation of and inquiry with client organisations that are undertaking culture change.
4. An inquiry day with 14 Organisation Development Practitioners looking into how their organisations were attempting to develop their cultures, and their experience of what was working and what was not.
5. An inquiry with 30 fellow practitioners into the significance and meaning of cultural artefacts in their organisation's culture
6. A review of concepts and theories from cultural anthropology, business anthropology and organisational culture.

### Who participated in the research?

We engaged both European-based Private Sector organisations and UK-based Public Sector organisations. A number of the private sector organisations, whilst headquartered in Europe, have global operations. The research included organisations from:

- |                   |                     |                         |
|-------------------|---------------------|-------------------------|
| • Energy Sector   | • Civil Service     | • Construction          |
| • Pharmaceuticals | • Health Service    | • Education             |
| • Engineering     | • Manufacturing     | • Local Government      |
| • Transportation  | • Finance & Banking | • Professional Services |

Individual participants were drawn from a range of roles including:

- |                           |                            |                                   |
|---------------------------|----------------------------|-----------------------------------|
| • Chief Executive         | • Human Resource Director  | • Head of Learning                |
| • Chief Operating Officer | • Organisation Development | • & Development                   |
| • Head of Transformation  | • Director of Culture and  | • Head of Strategy                |
| • Medical Director        | Engagement                 | • Digital Transformation Director |

### Illustrations

To help us represent our findings visually we have worked with the graphic artist Jonny Glover. More information on his work can be found at: <http://www.jonnyglover.com>

### Bibliography

- (1) Leadership in a permanent crisis by Heifetz, R., Grashow, A., Linsky, M. In Harvard Business Review, July 2009.
- (2) Concepts of culture and organizational analysis by Linda Smircich (1983) in Administrative Science Quarterly, 28 (3), 339-358.
- (3) The Corporate Culture Survival Guide by Edgar Schein. (1999)..
- (4) Business Anthropology by Ann Jordan (2013).

## Further reading on Ethnography

Jay Hasbrouck (2018) *Ethnographic Thinking: From Method to Mindset*.

Raymond Madden (2017). *Being Ethnographic: A Guide to the Theory and Practice of Ethnography*. 2<sup>nd</sup> Edition. Sage.

## Recommended reading on organisational culture

We are indebted to the influence of Adrian McLean in helping us to develop our thinking and practice in this field. We highly recommend his book: *Leadership and Cultural Webs in Organisations: Weavers Tales*. Emerald Group Publishing.

### ***Other books informative texts include:***

Edgar Schein – *Organizational Culture & Leadership*.

Matts Alvesson and Per Olof Berg - *Corporate Culture and Organizational Symbolism*.

Paul Bate - *Strategies for Cultural Change*.

