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4 CHANGE MANAGEMENT IN A CHANGING WORLD

4.1 Introduction

Most scholars and practitioners have emphasized process over content when discussing change management. Hardly any proper research has been undertaken that addresses the content of organizational culture. This is not surprising: it is easy to dream up a model describing culture, but it is hard to develop a model based on rigorous research. It is understandable therefore that the process of change was emphasized over content.

This should be reason for concern for practitioners. Apparently, not many consultants seriously wonder whether they can advise their clients well if they do not know the point of departure nor the destination of a client's cultural change journey. It is not uncommon to meet with change consultants who claim that they are well capable of serving their clients because of their experience and intuition. Asking clients what their problems are is enough for consultants to help them to redirect their course, isn't it?

As discussed above, many clients find it difficult to formulate the core of their problems accurately in terms of culture. But even if they can, with or without consultants, it is still difficult to know the bearings of a safe harbor. Setting a course to become more efficient is not enough. Is it feasible to reach that safe harbor and become more efficient, considering the context in which a client's culture is embedded? Such questions may look too complex to bother. In the technical realm, engineers use arithmetic calculations to do a proper job. Engineers graduate from universities and the sophistication of their approach and formulas is in general uncontested. Yet, the systems they address are much simpler than the systems managers, management consultants and change agents cope with.

Some consultants honestly admit that they use models which are dreamed up, but they are still convinced that they deliver a good service. "We just use it to start a meaningful discussion", is their defense. Clients know very well why they called in a consultant, but they often do not know the root of their problems. If they would know, they could solve it by themselves in all likelihood. Without a proper model which measures the functionality of human interaction, it will be hard to go beyond a meaningful discussion.

Culture can be used as an additional tool of management. Given its complexity, it may be wise not to involve culture if there other options to make change happen.

Some "easy" ways to realize change are:

- Change the structure of the company, although this often has less impact than expected;
- Get people moving to avoid the 'burning oil platform' syndrome, but this should be used sparingly as it otherwise would just become a gimmick;
- Change top management if, if top managers form part of the problem, but this is easier said than done. If it is feasible then this may be a good start but still being insufficient.

For quite some time organizational culture was just one of the many management fads soon to fade out from the radar screen. But throughout the years organizational culture has been occupying an ever more prominent place in the list of management tools. It refutes fads - which are founded on shallow grounds. A culture model based on solid research is an analytical tool, showing management to which degree culture will hinder or enable the achievement of their objectives and in which respects.

Why has organizational culture become en vogue? To answer this question, we need to turn to the effect of major changes in our societies on coordination instruments (Mintzberg) and on influencers (Cialdini). This will not only make it clear that organizational culture has become a powerful tool for managers, but also shows the power of the two models developed by Geert Hofstede: on national cultural differences and on organizational cultures.

4.2 Mintzberg's coordination instruments in a changing world

Mintzberg, a Canadian scholar on organizational theory and management, describes in "Structuring Organizations" three coordination instruments:

- Mutual adaptation
- Direct supervision
- Standardization

4.2.1 *The three coordination instruments*

Mutual adaptation:

In the case of mutual adaptation, a group of people discusses how to achieve a common task. The decision will be taken by everyone involved on the basis of information exchange and the contribution of each to the discussion. In its purest form it is not the boss who decides, but the group members all together.

Direct supervision:

Here, the boss tells his/her direct reports what to do. In its purest form, the boss gives orders and expects for good reasons that these orders will be executed.

Standardization:

Here, coordination is achieved through rules, regulations, procedures and standards. In its purest form, everybody complies with the rules and adheres to the standards.

Managers normally use these three coordination instruments in combination. Emphasis on one or two of these instruments depends on the situation.

Mutual adaptation will be particularly emphasized in, for example:

- Parliaments
- Within associations
- Within families

Direct supervision will be particularly emphasized in, for example:

- Army
- Crisis situations

Standardization will be particularly emphasized in, for example:

- Central government
- Mass production
- Process industry

The combination direct supervision and standardization will e.g. be particularly emphasized in: Prisons

Thus the use of all these different combinations of coordination instruments can be identified in one and the same country.

4.2.2 National cultures and coordination instruments

Not only does the combination of the use of coordination instruments depend on the context in which an organization operates the type of activities, but national culture also plays a significant role. For an elaborate explanation of Geert Hofstede's model on national cultures, we refer to his books or website: www.geerthofstede.eu

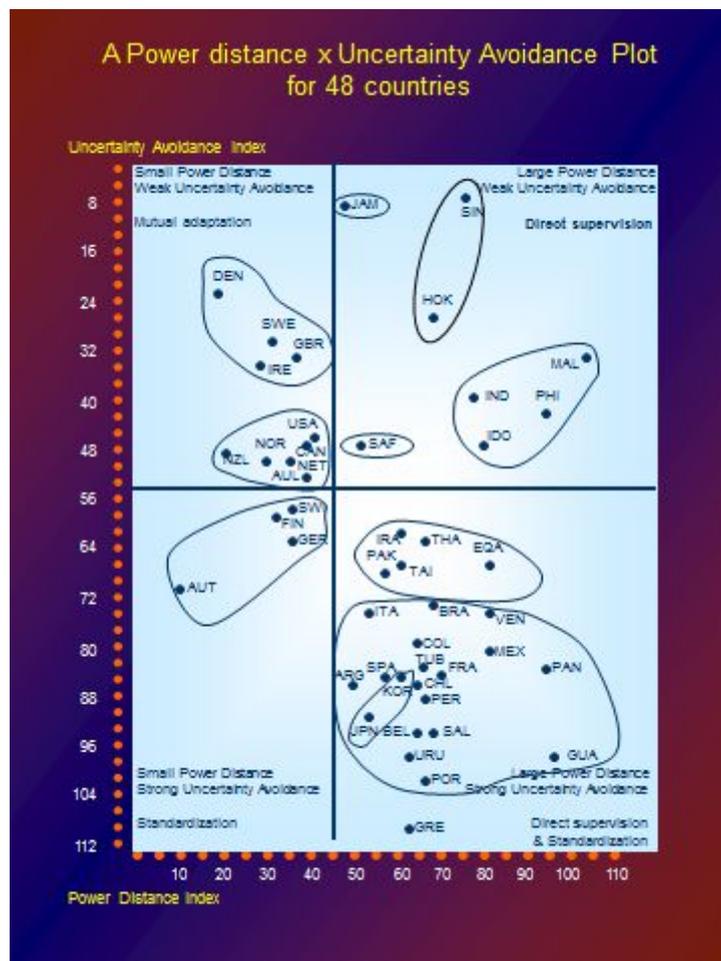
In large Power Distance societies, such as India, Hong Kong, Malaysia and Singapore, direct supervision is more emphasized than in countries with a small Power Distance.

In countries with a high degree of Uncertainty Avoidance, such as Austria and Germany, standardization is stressed.

In countries with a large Power Distance and a strong Uncertainty Avoidance, such as Japan and Korea, both direct supervision and standardization are emphasized.

In countries with a small Power Distance and weak Uncertainty Avoidance, such as Denmark, Ireland and Sweden, mutual adaptation is emphasized.

Diagram 38



All this is of course in relative and comparative terms. In other words, we need to compare prisons with prisons and supermarkets with supermarkets in different countries. Comparing the way a prison is managed in Brazil with the way a supermarket is managed in Denmark yields nonsense.

A further distinction can be made in the 4th quadrant of the diagram above. How mutual adaptation is being realized depends on their culture's position on the dimension Masculinity- Femininity. In Scandinavia and the Netherlands, both having a feminine culture, important decisions are normally taken after employees have been consulted by management after which management will take a decision. If in such countries management only pays lip service to such a consultative management style employees will be turned off fully.

In Anglo-Saxon countries, masculine societies, a good manager is a decisive manager. After a decision has been taken, Anglo-Saxon managers try to sell it to their employees. This is called "getting buy-in". In the USA a good manager is frequently equated with a good salesman, even the President.

4.2.3 *Changing value patterns in a changing world*

Value patterns found in national cultures are not static. Longitudinal data are available since the 1960s, although conclusions can also be drawn from literature and history. We can make assumptions and speculate, and base ourselves on longitudinal research to discern certain patterns of change in culture at national level:

Power Distance:

There is a causal relation between Power Distance and national income and average level of education. If a sizable middle class exists and income and educational levels increase, then over time Power Distance will slowly diminish.

Individualism versus Collectivism:

Also here, there is a clear causal relation between Individualism and national income. If a sizable middle class exists and when people earn more, the culture will become slowly more individualist.

Masculinity versus Femininity:

No definite developments have been identified for this value pattern.

Uncertainty Avoidance:

Also in this case no definite developments have been identified so far.

Normative versus Pragmatic:

We have not yet come across any assumptions regarding changes taking place on the fifth value pattern, called by us "Normative versus Pragmatic". This fifth value pattern has been recently identified and so far no agreement has been reached among the scholars involved about its definite content. These scholars are Geert Hofstede, Michael Harris Bond and Michael Minkov. See Annex 2.

Research by Sjoerd Beugelsdijk has conclusively shown that nearly all societies are becoming more Individualist while Power Distance decreases. In other words, people tend to become more autonomous towards groups and power holders.

4.2.4 *The use of coordination instruments in a changing world*

We live in a time in which cultural changes are happening, albeit slowly. There may be a ceiling above which individualism cannot rise, but we do not know where that ceiling is. Mutual adaptation will most likely be used in cultures characterized by small Power Distance and a weak Uncertainty Avoidance. The culture of the USA captures both elements, next to being highly individualist. In Individualist cultures there exists more need for mutual adaptation to coordinate work and cooperation than in Collectivist cultures, yet individualism also makes it hard to apply genuine mutual adaptation. In Individualist cultures each person may have a different opinion and they like to stand out in the crowd, certainly in the USA. Hungarian HR manager working for a US company, who participated in one of our intercultural seminars, remarked: "It is obvious that teamwork is not common practice to Americans. Otherwise, why would they talk so much about it?"

The Netherlands is also a very individualist society. It's very feminine culture may soften the impact of high individualism, but also in the Netherlands successful coordination is becoming more demanding over time. A Brit once remarked: "When you give an assignment to a Dutchman and tell him that he can execute it the way he thinks fit, he will ask a compatriot to assist him, to make work more cozy. Half-way through he thinks, I could have done a better job all by myself".

A decreasing Power Distance makes direct supervision and mutual adaptation less effective as coordination tools. According to Mintzberg, a manager has only three coordination instruments available. "Standardization" is then left over. However, it is questionable whether it is wise to emphasize "standardization" more and more when the levels of both education and wealth are increasing. You may recall that the degree of standardization normally needs to fit the country's Uncertainty Avoidance and we may assume that common practices were already attuned to the need for standardization. Nevertheless, in many countries this is precisely what is happening and abhorred by many who have no talent for filling out forms, following digital procedures or coding their activities in a strict schedule. Medical doctors, police officers, sales people, taxi drivers or recruitment agents are spending ever more time on administration, while managers are turning into administrators rather than those who are making things happen.

The increasing emphasis on standardization may backfire. When standardization is used more than befits the national culture and the situation, people will feel stifled, which will not promote success. Too much reliance on standardization may be counterproductive in a time of rapid technological change, unless clever standards are developed which give people control over their work.

To put it in another way: decreasing Power Distance and increasing Individualism will diminish the cohesion among people at work, unless countervailing powers are identified.

National cultures change so slowly, that it is hardly noticed. Only when reading articles in newspapers about society 80 years ago, may one suddenly realize how individualist we have become. When you yourself are part of present-day youth, the highly individualist attitude may seem normal. We only get a wake-up call when it seems to be too late, as in the case of the famous frog: apparently, when you put a frog in a pan of cold water and slowly heat it, the frog will stay in the pan. The frog, a cold-blooded animal, does not notice the temperature change. Only when it is too late he notices the heat but by then, he is unable to jump out and has become a soup ingredient.

Don't worry, human beings are not cold blooded, but still.....

In *Capital in the 21st Century* Thomas Piketty describes the process by which middle class in the wealthier countries is contracting. If this continues, the individualist trend may be reversed. Such processes elapse very slowly, so their impact may be negligible in the short run, but certainly not in the longer run.

4.2.5 Impact on the use of organizational culture

Two of the traditional coordination instruments, direct supervision and mutual adaptation are slowly turning blunt, while the third instrument, standardization, may become slowly counterproductive. Fortunately for us, there are two ways to overcome this catch-22 situation.

The first is to use the market as a coordination instrument. Adam Smith, in “*The Wealth of Nations*” describes the market as a superb coordination instrument, calling it the “invisible hand”. The down-fall of the USSR showed indeed that it is impossible to replace the market by a top-down centrally guided economy. Taking the market into a company means, for example, that departments are no longer forced to use each other’s outputs as inputs for their own production system. Many companies have adapted such a process in a more and more intertwined world.

The second way is to use organizational culture as an additional coordination instrument.

During the 1960s and 1970s the importance of the market as a valuable coordination instrument was often understated. Today its importance is often overstated. Adam Smith pointed out that the market is no panacea for everything. Consequently, the role of organizational culture as an additional coordination tool is here to stay.

With help of organizational culture the following can be realized:

- Compensate for diminishing cohesion and poor coordination. For example, by building a goal oriented culture (D1) and a strong identification with the overall organization (D8).
- Increase employee loyalty through boosting stay motivation, by creating an open (D5) and employee-oriented (D6) culture with a high acceptance of the leadership style (D7) and a high identification with the organization (D8).
- Implement more standardization, not by direct control by the boss, but by self-control.

Two ways out of the catch-22 situation: taking the market into companies and using organizational culture effectively.

Over the past two decades, market thinking has been introduced into the government and this is, in our opinion, not a good idea. The cornerstone of a reliable government is equal treatment of citizens. An entrepreneurial spirit amongst civil servants may jeopardize this.

In as far as the market has taken over some of the functions of the traditional coordination instruments, organization culture should in government ideally play an even more dominant role than in the commercial sector.

4.3 Cialdini's persuasion principles

Robert Cialdini offers us another way of considering the impact of a slow change in value patterns. In his book "Influence" Cialdini gives us the principles that guide people's ability to influence others. Salesmen, politicians and managers alike are facing the challenge to make us to do what they want us to do. Instead of "influence", Cialdini could also have used the word "power". Power after all, is the degree to which someone is able to influence someone else to do what he wants him to do. In our case, we are especially interested in how managers try to influence their direct reports to do what they are supposed to do.

Cialdini comes up with six key principles of persuasion:

1. Scarcity
2. Reciprocation
3. Consistency
4. Social validation
5. Liking
6. Authority

4.3.1 Description of these principles

Leaving politics and sales aside, we concentrate our description here on managers who need to make their people doing what they are supposed to do.

Scarcity:

It's a human trait to do (nearly) anything to stay alive. So we could claim that it is best to offer a minimal wage to the needy that will meet their basic needs and get them going. But then you may have bought hands but not necessarily hearts. Scarcity embraces much more than the eminent threat of hunger and homelessness. More in general, management has power if it has scarce resources on offer. People find objects and opportunities more attractive if they are scarce, rare or dwindling in availability. This can include a salary "to keep up with the Jones' ", labor conditions or a pleasant work environment. Even scarce information can be effective. Controlling resources that are perceived as scarce, gives power to management to influence its beneficiaries.

Reciprocation:

People are social beings and continuously busy connecting and seeking commitment so as not to be left alone. Visibly, this can be done by exchanging gifts. More subtly, it can be done by exchanging favors. For example, by standing up for someone in a meeting - if that is crucial to the other person. It is not necessary to explicitly close a deal. People are willing to comply with requests for favors, services, information, concessions and the like, from others who provided such things earlier. The one who has more to offer or is smarter in making use of his offerings, can influence others more than being influenced by his beneficiaries.

Consistency:

Most people have a need for consistency. Even those who behave inconsistent still try to look consistent and certainly want others to be consistent.

Someone who changes his mind continuously and who is never committed to his promises, is seen as highly unreliable - and will lose credibility. It will make cooperation difficult if not impossible.

People who are able to fool others successfully in this respect or who are better negotiators, have more power.

Social validation:

People are more willing to conduct a recommended action if they see that many others are already doing this, especially if these people are similar to them or respected. If a manager wants to get something done which he knows will arouse opposition, he'd better identify supporters before going "public" with his proposal.

Liking:

People can be more easily persuaded by someone they know and like. Then it is less of a problem to say yes. Employees are more willing to comply with the request of a manager who evokes positive feelings. Positive feelings can be created by:

- Similarities between the manager and his subordinates;
- Giving positive feedback;
- Cooperation, rather than keeping a certain distance;
- Pleasant personality;
- Physical attraction (although respondents often deny this).

Authority:

People are more ready to follow the directions or recommendations of a manager to whom they attribute authority or expertise. One study showed that 3 times as many pedestrians were willing to follow a man into traffic against the red light when he was authoritatively dressed in a business suit and tie. Cialdini cites sociological research based on the Milgram experiments and the My Lai massacre to make this point.

Authority can be attributed on the basis of:

- Sanctions: the ability to fire or promote subordinates. It will carry more effect when scarcity plays a role.
- Expertise: the know-how subordinates attribute to their manager to ensure that everything goes well.
- Reference power: behavior that subordinates consider is worth copying.

4.3.2 *The impact of national cultures*

Cialdini cites a study by Morris, Podolny and Ariel of the Stanford University which shows the impact of national culture on how these influencing principles are used. One of the questions was what a colleague (not a manager) had to do to motivate the respondent to meet his request without any compensation. In the four countries in which this research took place, different principles of persuasion were emphasized.

Here are the considerations of respondents in several cultures, before complying or not:

In the USA:

“Has that colleague done enough for me recently?” This echoes the cultural pattern in the USA of a short term normative value pattern with an emphasis on reciprocation (=PRA). Although in the individualistic USA, people are strongly convinced that only merit should play a role in hiring, firing, promotion or demotion, the PRA dimension plays a crucial role when it comes to reciprocity.

In China:

“Does that colleague have strong relations with important people in my department?” This echoes a large Power Distance.

In Spain:

“Is that colleague a friend of one of my friends?” This preference is a sign of a rather collectivist value pattern.

In Germany:

“Is that request in line with the rules and structure of our company and my work?” This indicates a small Power Distance and strong Uncertainty Avoidance.

Low-income countries:

We can add that in low-income countries, the scarcity persuasion principle can and is often directly emphasized, or indirectly through authority based on sanction power.

Most low-income countries have a large Power Distance and are Collectivist. The boss as a stern and considerate father will by definition obtain significant buy-in.

4.3.3 Persuasion principles in a changing world

How do these six persuasion principles work out in a changing world?

Scarcity:

The effectiveness of the scarcity principle will diminish wherever wealth increases and a sizeable middle class exists, unless new needs are created for which people crave. Authority based on sanction power will lose its effectiveness.

Reciprocation:

What is seen as corruption in the Western world may not be seen as such in the non-Western world. But corruption also exists for those in the non-Western world, albeit according to their own terms. Whether reciprocation of favors and gifts is seen as corruption depends on the degree to which it happens. In general it can be said that “rampant” corruption will affect the wealth of nations negatively, because allocation of scarce resources will happen in a sub-optimal way.

But let’s be straight: a lot of subtle “reciprocation” exists in the Western world. It is doubtful whether reciprocation is a helpful principle of persuasion from a macro-economic perspective, particularly at the top of organizations. From the point of view of organizational culture, reciprocity at the top pushes the culture into a means-oriented direction on D1.

Consistency:

In countries in which self-interest is increasingly emphasized as a reflection of an increase in Individualism, people will feel less need to be consistent if it does not suit them giving an ever increasing emphasis on self-interest.

Social validation:

A higher Individualism and a smaller Power Distance will lead to less need for social validation. The rising Individualism will cause an ever larger variety of people's identities while people perceive less similarities among them. The smaller Power Distance means that power holders have to work harder to earn respect.

As a countervailing factor we see people look for a partner with more or less the same level of education instead of someone from your neighborhood, for example.

Liking:

What has been said about similarities also applies here. On average, similarities between managers and subordinates diminish in a society where Individualism is on the rise.

Authority:

In a society in which Power Distance becomes smaller, sanction power as a principle of persuasion becomes slowly less effective as a tool of persuasion.

4.3.4 Impact on organizational culture

As we saw the cultural changes in society, notably the rising Individualism and decreasing Power Distance, make a number of persuasion principles less effective. Cialdini discusses these principles at the individual level only, but they are equally valid at group level. Even in the most Individualistic culture people remain social beings.

Below we will discuss five of the principles from the perspective of organizational culture. Scarcity is omitted as there is no direct connection with organizational culture.

Reciprocation and organizational culture:

Reciprocation may be helpful if you try to achieve your personal goal, but it may harm the longer term success of your organization. It implies "playing politics". If management is concerned with the long term interest of the organization, rather than its own short term interest, it should discourage reciprocation. This can be achieved by creating a goal oriented culture (D1) and by emphasizing the other persuasion principles.

Consistency and organization culture:

Consistency and commitment can be also boosted by working towards more goal orientation on D1 and a stronger identification with the overall organization on D8.

Social validation:

People are more willing to conduct a recommended action if they see that many others are already doing this, especially if these people are similar to them or respected. If a manager wants to get something done which he knows will arouse opposition, he'd better identify supporters before going "public" with his proposal. Whether culture will help in increasing social validation is questionable. If management is identifying supporters, and if

this is found out by all others, this may be perceived as management playing political games. This then will move the culture towards a means oriented culture on D1.

Liking:

People can be more easily persuaded by someone they know and like. Then it is less of a problem to say yes. Employees are more willing to comply with the request of a manager who evokes positive feelings. Positive feelings can be created by:

- Similarities between the manager and his subordinates; The more goal oriented a culture scores on D1 the less differences between people will be perceived as a hindrance to realize the goals of their organization.
- Giving positive feedback; The more goal oriented a culture scores on D1 the more positive feedback will be given instead of negative feedback. This also applies for a more open culture on D5.
- Cooperation, rather than keeping a certain distance; The more goal oriented a culture scores on D1 the less managers keep a certain distance towards their direct reports.
- Pleasant personality; This is unrelated to culture.
- Physical attraction (although respondents often deny this). This is also unrelated to culture.

Authority:

People are more ready to follow the directions or recommendations of a manager to whom they attribute authority or expertise.

Of characteristics that can be attributed to authority only expertise can be connected to organizational culture. The more professional a culture scores on D4, the more the expertise of managers is appreciated.

Cialdini's theory shows us that organizational culture as a tool of management becomes more important if wealth and the level of education are on the rise. Goal orientation in particular will assist managers to influence employees to achieve a common objective. Both Mintzberg or Cialdini teach us that over time organizational culture has and will become key in coordinating and influencing people. Only if the middle class loses its clout or if wealth and the level of education diminish, will organizational culture become less effective. Whether this will happen in the USA or Europe is to be seen. In a number of Asian, Latin American and African countries, individualism is increasing while power distance is decreasing, slowly but surely. It has happened in Japan and to a lesser degree in South Korea. It is happening in China and India. Thus in our times the importance of organizational culture as an additional tool of management is beyond doubt becoming more and more important in many countries. It will compensate for the loss of effectiveness of other management tools.

4.4 Additional objectives of culture scans

In general, management in countries such as Denmark, Germany, UK and the US is always in for surprises as culture scans will supply management with at least some new information they were unaware of. The main function of a culture scan, however, is not to come up with new information per se, but to assess the discrepancies between the actual and optimal culture and to provide tools to facilitate quick and effective change to bridge the gap. This is valid for all countries with Individualist cultures with small Power Distance.

What about countries with a different cultural profile on Hofstede's 5 dimensions?

The majority of countries in this world have a Collectivist culture with a large Power Distance. Is organizational culture then still beneficial as an additional management tool?

Overall, as long as managers act as stern but considerate fathers towards their employees, employees are very likely to comply with the wishes and directives of their bosses.

Cultural audits and scans serve a different purpose in these countries. Our experience in, among others, Egypt, Ghana, Kenya, Portugal, Tanzania, Thailand and Turkey shows that management faces the challenge to find out what really happens on the "shop floor".

Subordinates will rarely, if ever, criticize the boss and they will tell their boss what they think the boss wants to hear. Moreover, a cultural audit shows managers how they are really perceived by their subordinates.

Of course, there is an overlap in the benefits of culture scans in these two types of countries. In the second group of countries the primary function of cultural scans is to provide information. Applying "indirect change tools" is hardly necessary. Managers who are seen as "good" benevolent fathers (and mothers) who give proper explanation and sensible instructions, will be obeyed. In section 4.5.4 this will be explored in more detail.

4.5 Sense and non-sense of change management

4.5.1 Introduction

An intriguing aspect of organizational life is that it seems hard to bring about change. Individuals though, adjust their behavior continuously. Why do individuals change their behavior more readily than groups of people?

Let's take a look at individual behavior. Every one of us constantly adapts his or her behavior. When we are called in by our boss, most of us will behave very different than when meeting our lover. Even when our boss and lover are the same, we are supposed to play different roles in public.

We will adjust our behavior as long as our different behavioral patterns make sense to us. This can be based on differences in the context in which we find ourselves and based on our expectations we have about the expectations others have about us.

Let's turn to groups. Groups tend to be more inert than individuals, but not always. When people join to establish a new group, they create assumptions, attitudes, rituals and beliefs. In other words: culture. This facilitates interaction among the members of the new group as well as with the outside world. In addition, their culture is also shaped by the context in which the group operates and the reasons for which they have come together. Individuals inside a group are less "autonomous" than outside that group. They will consider each other's ideas and attitudes before acting, consciously or unconsciously. Social control and the need to give meaning to work life and the need to belong imply that groups are not simply the sum of individual group members. This creates inertia, although not always. The group founder can be very dynamic and charismatic and enthuse co-workers towards a flexible and entrepreneurial spirit that they would have never achieved on their own. Or they may be instilled to do horrible things they would never dream of doing alone.

Factors impacting change:

Three factors in particular impact in how far and how fast groups change their behavior:

- a. Perceived context;
- b. Their culture;
- c. Personalities of individual group members;

a. Perceived context:

It is not the context as such that defines people's behavior, but the context as they see it. If rank and file people have reason to distrust top management, they are more likely to resist change than if they trust top management.

If top management clearly puts its own interest far ahead of the interests of others, the employees are more likely to resist change than if they see that top management cares as much for the employees as for themselves.

If people assume that change will impact their position negatively, they are more likely to resist change than if they have nothing to fear. That is common wisdom.

b. Culture:

How people perceive their reality is partly influenced by their culture.

If a lot of distrust is institutionalized in the culture, top management's intentions will meet with more resistance than if trust reigns.

Institutionalized distrust often relates to traumatic events in the past which were never seriously redressed. In such situations top management can still be distrusted, even if there is no longer an objective reason for it.

This also holds true for attitudes of management. Some organizational cultures are known for caring attitudes whereas others are characterized by a continuous pressure and a management team only interested in output, not in the well-being of the employees.

Resistance to change is more expected in the latter case.

c. Personality:

The influence of personalities of individuals should not be underestimated. Whether this influence materializes, depends heavily on the ability and commitment of formal and informal leaders to make change happen, or to abort change initiatives.

Inspirational leaders may be able to make change happen. “May”, because although personality counts, culture still plays an important role. The content of culture tells us whether there is trust and whether inspirational people will be embraced or rejected. Along the same line, one should be prudent to bring in “change champions” to make change happen. If social control and resistance are strong, these change champions will most likely integrate into the actual culture or be rejected. In either case, their impact will be much smaller than anticipated.

4.5.2 More content, less process

It makes sense to gauge the willingness and ability to change among co-workers. Such surveys address individual attitudes to change, but is it really useful? In a world in which competition and change have become the norm, people need to adapt continuously whether they like it or not. Individuals will change anyway if it makes sense to them. The challenge is not to address change as an individual process, but to look at it from a group perspective:

- Does the actual culture inhibit or support change? Through this question, the content of culture is implicated which helps to define, formally or informally, a change strategy.
- Will the sub-culture of management inhibit or support change? Too often top managers genuinely proclaim the new culture without acting accordingly, even when they emphasize the dictum “We walk the talk”.
- Do the change initiatives make sense, not only to management, but especially to rank and file people? No matter how hard management tries to tell and sell the message, if the common worker does not act upon it, nothing will change.

4.5.3 The “tell and sell” approach

Change managers all over the world have unconsciously adopted an American change approach or philosophy of “tell and sell”. It is based on the American idea that a good manager is a good sales person.

Being successful and showing it, is a big motivator in US culture. The tell and sell method is one way to achieve this. If managers are successful by a tell and sell approach they can claim with good reason that they personally made change happen.

In addition, Americans do not want to endanger their career perspectives. In case of a conflict, they tend to either comply or leave their employer. Whereas the Danes would not mind to speak their mind to their superior, to Americans this can mean a bad career move.

That does not mean that change is easy to achieve in the USA, but rather, that different cultures have different options and ways to make change happen. Here we will only zoom in on change in countries with a small Power Distance.

The “tell and sell” approach can take on different forms, such as:

- Explicit formulation of vision, mission statements and core values;
- Workshops, seminars and conferences in which employees are “indoctrinated” in the “new culture”;
- Booklets, leaflets and other paraphernalia in which the new culture is described - often beautifully designed;
- Actors who present the “old” culture and the “new” culture in a catchy way.

A striking example of the “tell and sell” approach is “the burning oil platform”. Management teams may use the metaphor of the “burning oil platform” to convey an extreme urgency to change. In the USA management teams can get away with “the burning oil platform”, even if it turns out afterwards that things were not all that urgent. People may then say to management: “Good on you for making us believe that we had to get on and do it.” In Europe, people would fall out with management because they feel tricked. Using “the burning oil platform” a second time will not work in Europe, even if this time the situation really resembles a burning oil platform.

Yet, even in the US there is a danger that people think: “O yeah, just show me” if top management tries to implement direct behavioral change in the organization, especially if the top did not live up to expectations in the past. This “just wait and see attitude” will frustrate change efforts considerably.

A complicating factor is that management teams need to have a different sub-culture than the rest of the organization. In other words, their behavior should not always be replicated lower down. Such sophistication is of course beyond most people, as core values tend to be indiscriminately rolled out through the whole organization. The core value “integrity” can be particularly problematic in this respect. Top management may sincerely want everybody to act with integrity. At the same time they may be unwilling or unable to apply this core value to themselves. Then it is better to delete “integrity” from the list of core values altogether.

If top management does not behave according to the core values they promote, the end result will be cynicism in its company culture. This will move the culture into a means oriented direction (D1).

It is doubtful whether it is clever to adopt integrity as a core value. It transmits the implicit message that until now there was something wrong with our integrity.

One of our clients had good reasons to introduce “integrity” as a core value which people should take to heart. In the country of this company, bribing used to be tax deductible, provided it had happened abroad. Then the law changed and made bribery abroad as

punishable as at home. A shared practice inside this company had to change and in order to hammer the point home, it was agreed that the core value “integrity” *really* made sense in their situation. Remember: “In the case of culture never say “never” and never say “always”. Work life is too complex to adapt an apodictic attitude!

4.5.4 *Two basic approaches to change*

The “tell and sell” approach is a direct approach. The indirect approach does not tell people explicitly what they have to change. Instead, the work environment will be changed in such a way that people would be stupid not to adjust their behavior. In other words, it will then make sense to most employees to change their behavior, even though they have not been told to do so.

On the lower rungs of the organizational ladder behavioral change is best realized through changing the environment. At the level of top management this would not work: it would be hard for a top management team to recreate their own environment. In terms of a dichotomy we can say:

- Below top management behavior can best be changed indirectly
- Behavior of top managers can best be changed directly

In reality we should not think in terms of dichotomies. We cannot say it enough: in the case of culture never say “never” and never say “always”. Work life is too complex for absolute statements. Thus, it may well be that to change behavior of the top manager of a certain division, a direct approach may yield better results. Especially if this top manager does not see its role to manage the division managers reporting to him, but rather to formulate financial expectations, thereby leaving the division managers a lot of leeway. By the same token it may well be that change among senior management, one rung below top management, requires a combination of direct and indirect change - depending on the amount of autonomy those senior managers have. The more autonomy they have, the better a direct approach works. The CEO has to change his/her behavior any way all by him- or herself, of course if so desired with help of an external coach. This exemplifies the dictum, that it can be lonely at the top.

Contrary to what many top managers believe, the weight of change is more on their shoulders than on the shoulders of everyone else. It is more difficult to change behavior all by oneself through direct change, than by adjusting to a changing work environment, through indirect change.

Top managers and certainly the CEO, have the power and good excuses to forsake direct change. There is always a crisis which needs immediate attention, a take-over or whatever. Even if a CEO is of good intentions, he needs a lot of self-discipline to change his own convictions, attitudes and behavior. A coach can be helpful, but at the end of the day the CEO has to do it all by himself.

4.5.5 *Content or process*

As pointed out above, it has become common practice to gauge the willingness and readiness for change, in order to assess which change process will be most successful. Most consultants and change agents limit themselves to a direct change approach. To design a successful change strategy, it is wise to assess the resistance to change. If a lot of distrust prevails, this distrust needs to be addressed before engaging in other change activities. If strong feelings of insecurity and anxiety exist, it is wise to take these also into consideration, e.g. by being decisive and by following through on “negative decisions” as quickly as possible. In the latter case think of people who have become redundant.

It is our conviction that the bulk of change activities can best be executed in an indirect manner. Indirect change meets with much less resistance, certainly if the process is well managed (see chapter 5). It may be clear that it is not a question of content or process, but of both content and process to realize change successfully.

It is not always feasible to realize changes within and among groups just by an indirect approach. As explained earlier, for the higher echelons a more direct approach is recommendable. For this reason we recommend to measure the degree of security or anxiety prevalent in a culture and the degree of trust or distrust, seen from different angles. (See diagrams 34 and 35 in section 3.12.2)

4.6 **From single issues to focus**

A major pitfall of using culture as a tool of management is to apply it to single issues. The list of subjects that clients seek remedy for is endless. Culture scans are in demand to solve issues such as:

- How to ensure that our people apply the safety procedures more diligently?
- How to increase our productivity given that at the moment our people only do what they are told to?
- How to promote open internal communication?
- How to ensure that sensitive information does not fall into the hands of the competition or criminals?

At first sight, it seems logical to tackle each issue separately. After all, we cannot do everything simultaneously, can we? That may be true, but it does not mean that we should limit ourselves to a single issue analysis, with an emphasis on the word “analysis”.

Many issues cannot be treated as stand-alone aspects of work reality. A cultural measurement that covers the whole organization, ensures that these overarching issues are included.

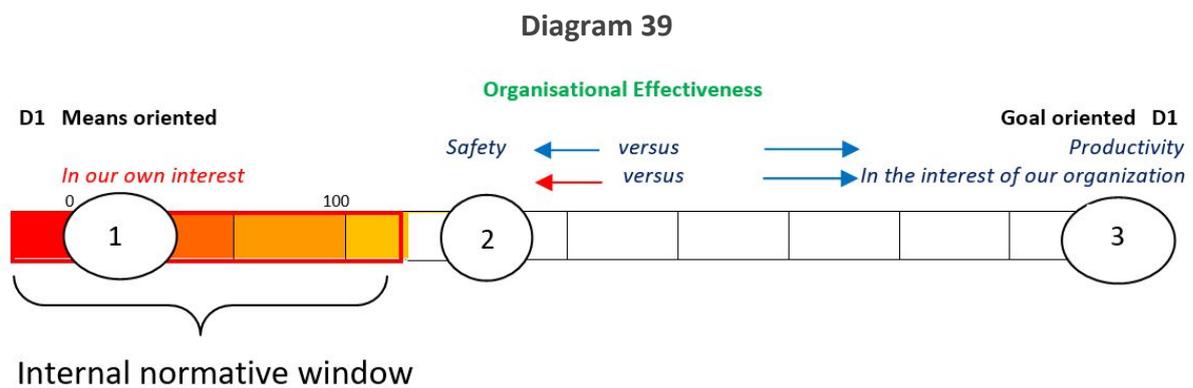
In addition, the underlying causes are rarely singular. Limiting the analysis to singular issues, may lead to overlooking important dysfunctionalities or causes that are related to other issues that are not included in the analysis.

a. Conflicting objectives – First example:

The first example refers to two of the issues listed above:

- How to ensure that our people apply the safety procedures more diligently?
- How to increase our productivity given that at the moment our people only do what they are told to?

Both issues relate to means versus goal oriented (D1).



Productivity is best supported in cultures scoring between 90-100 (area 3), and will be most hindered in cultures scoring between 0 -10 (area 1).

On an oil rig or in a nuclear power plant where the environment is hazardous and safety paramount, you want people to identify with the “how”. The optimal culture is then in area 2, with a score of 35-45. Safety will be definitely compromised if the culture scores 90 -100. But also a position on 0-10 may be disastrous, not only with respect to productivity but also safety.

It is impossible to realize high productivity and a safe work environment simultaneously.

What is gained with one hand will be lost by the other. Two options present a way out:

1. Suppose that the optimal position to realize high productivity is 75 on goal orientation. There may be reasons why 100 is unattainable, such as a fair amount of risks and some repetitive work. Next, suppose a score of 35 will optimally maintain safety. The average position between 35 and 75 - that is 55, is the optimal position to achieve the best of both worlds.
2. Such an in-between score may not be satisfactory. It may be neither fish nor fowl and not supporting neither objective strong enough. Then functional diversity comes into the picture. Safety is probably not critical everywhere and the solution can be to create at least two sub-cultures in different parts of the organization, one scoring 35 and the other 75.

- There may exist also a third option unrelated to culture: Integrating these requirements in technology, processes and systems in such a way that human intervention is limited. If this is feasible then it may also be possible to realize both objectives to a large extent.

Should management wish to focus solely on increasing safety - then we can forget about all these considerations. Yet, such a single issue approach will in all likelihood make recommendations from the consultants disappear into the drawer. They did not make sense, or after implementing the recommendations, profits went down because productivity went down. The reverse applies as well if management only focuses on increasing productivity, while health and safety are issues as well.

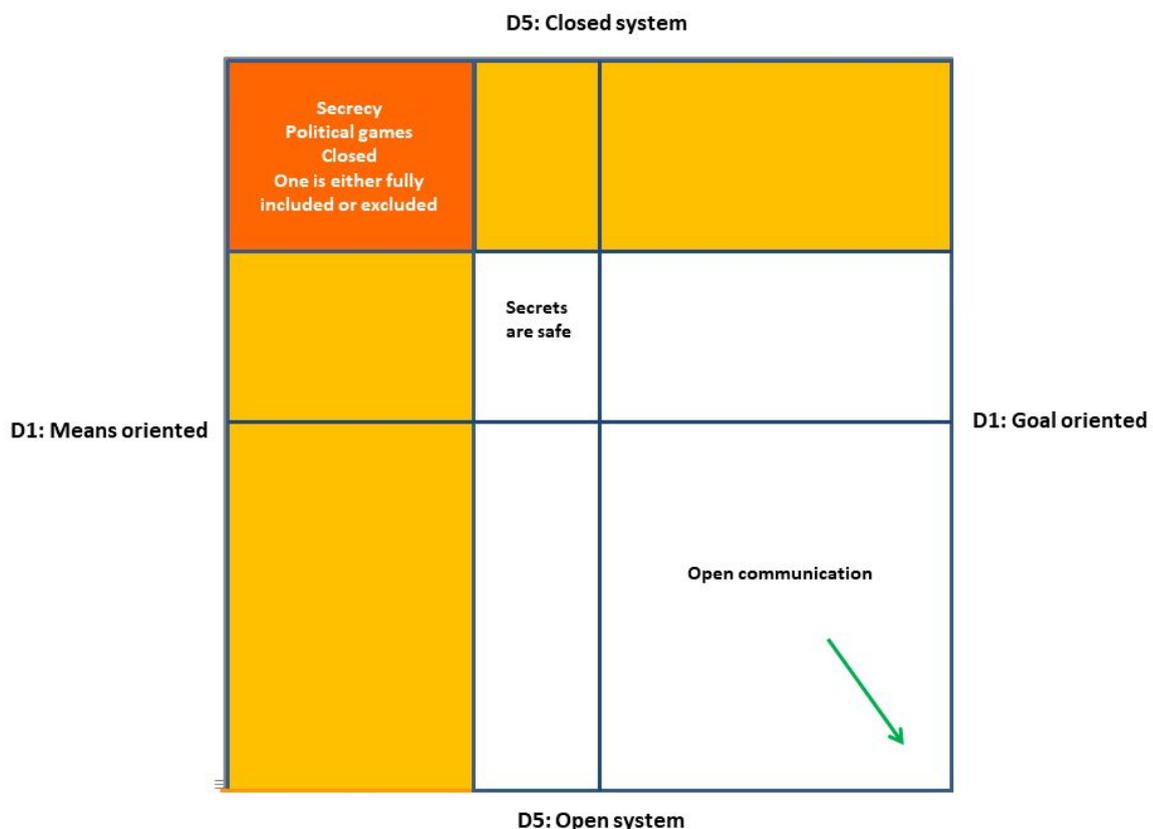
b. Conflicting objectives – Second example

This second example addresses the other two objectives to use culture scans.

- How to promote open internal communication?
- How to ensure that sensitive information does not fall into the hands of the competition or criminals?

These conflicting objectives relate to means vs goal orientation (D1) and open versus closed (D5).

Diagram 40



Suppose both objectives should be addressed simultaneously:

- Internal communication needs to be more open and
- Sensitive information should be prevented from falling into the hands of the competition or criminals

An open culture in which everyone feels welcome is best supported if it scores between 0-10 on D5, that is, extremely open. But then sensitive information will easily fall into wrong hands, whether the organization's own inventions, innovations and patents, or sensitive client information.

In a culture that scores between 50-70, secrets will be safe - from a cultural perspective. The problem is that Hofstede's research shows that groups of people cannot make a distinction between internal and external systems that are open or closed. Thus, the two requirements clash with each other – at least if we want to realize both objectives through interventions addressing only D5.

Luckily, the degree of openness is not only defined by D5, but also by D1, means versus goal orientation. A means oriented culture will hinder open communication and a goal oriented culture will support openness. D1, means versus goal oriented is an internal dimension.

Suppose that a fair degree of secrecy is required as well as a fair degree of open communication in a certain group. In order to make this happen simultaneously, we can try to apply the three options of the first example. But here we also have a fourth option, to be applied alone or in combination with one or more of the options from the first example. A somewhat closed score of around 60 on D5 will support secrecy. At the same time a very goal oriented score of around 85 on D1, if attainable, will support open communication, therefore compensating for the somewhat closed score on D5. Thus, by combining these two characteristics, both objectives can be realized.

Whether it is possible and recommendable to strive for such a goal oriented score on D1 depends on many other factors. After all, we should not limit ourselves to one single issue. If the work is for most people the same every day or involves large risks while safety is a major issue, then we cannot compensate the closed score of 60 on D5 by a very goal oriented score on D1. In such cases it is better to fall back on the first three options of the first example.

Limiting oneself to one or a couple of issues only

The longer people work in an organization the more they know about their organization, but that is not valid for culture. We see here a reverse process. The longer people work in an organization, the less they know about their own culture. This sounds confusing and it is not strange that when an internal problem has been identified, people think that they can easily identify its causes if it is related to human behavior being part of it.

Yet, one doesn't realize that the longer one works in an organization the more myopic one becomes regarding the intricacies of one's (sub-)culture. That is why it is wise to measure the culture in its totality and not just cover one or a couple of issues.

A nice example is given in story D in section 3.6.2. Whereas the managing director thought that the mechanics were too externally driven, in reality they were too easy-going. Such a misinterpretation by the managing director is not exceptional. He identified the problem correctly: the client was not charged for additional work done. However, he fully misinterpreted why this happened and therefore came up with the wrong solutions. A culture scan, based on rigorous research, can easily redress this.

Conclusion

Culture should preferably not be used to solve single issues. Initiatives to solve single issues based on an analysis of culture often meet with resistance. These initiatives may not feel good because they go against "common sense". Not that people are always able to formulate why. People are supposed to achieve many objectives simultaneously in order to contribute to the overarching goal of their organization - whether this concerns a larger market share, more profits, shareholders' value or obtaining and safeguarding subsidies.

It is advisable to consider all the requirements an organization has to meet. If only one issue is analyzed, solutions may frustrate realization of other objectives.

It is best to go from an approach of single issues to focus. One can of course focus on a single issue, as that often represents a preoccupation of the client. However, we should not confine ourselves to one single issue.

A cultural analysis often brings out other issues as well, which previously were not on the radar screen of management. Frequently the client eventually decides to tackle a different issue from the one for which we were initially called in.

Organizations are extremely complex systems. Management should be willing to acknowledge this without becoming paralyzed by complexity. Keep it simple by making use of sophisticated tools to align culture with strategy so that objectives are realized in an optimal way.

It is the same as with cars. Cars make it simple to get from A to B; yet cars have become sophisticated tools with all the integrated software and sensors. Drivers are not paralyzed by the complexity of cars. They take it for granted. Only a paranoid person doesn't want to use cars because of all the technology and IT-systems incorporated into them. Hopefully managers will adopt the same attitude towards sophisticated cultural tools as drivers have towards cars.