

Part 2

Strategies for Cultural Change

Introduction

Essence of this Part

Which approach to change do leaders in cultural change choose so that they are successful in changing their organizational culture? This part focuses on that question. There is no best method of change. What really matters every time is choosing a change approach that is appropriate to the company and the circumstances of the company. The crucial point is first finding out what is happening inside and outside the organization. What is the motive for the change? If it is clear why a change is necessary or desirable, then it is a matter of articulating the vision of the future. Leaders in cultural change form vital coalitions to work on change. The business idea is clear in the change and the customer is the main issue. The distance between management and operational personnel is small during the change. Everyone is involved in it. Leaders in cultural change provide direction and space and play with time and rhythm. Leaders in cultural change generally choose a step-by-step change approach in which all parties involved have input.

This part gives some insight into the change approach for a successful change of the culture in organizations. The real art with every change assignment is choosing an approach that suits the situation. Copying the approach that was successful for another company will not help as the situation in your own company is always different. The stories of the companies in this book can provide inspiration for choosing your own change approach. The task is then not to stick strictly to the chosen approach

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but in fact to keep track of how the change takes shape. Choosing a change approach actually means continually monitoring the changes by continuing the discussion about them with all parties concerned. Leaders in cultural change are not afraid to adjust the approach if necessary.

Structure of this Part

In this part, I describe six basic principles and twenty ingredients for a successful change approach for cultural change in organizations. The principles are the conditions of successful cultural change. They indicate the areas that leaders in cultural change must pay attention to, no matter what. The ingredients are part of the change approach. The ingredients help in coming to a well-considered change approach. In this part, each chapter contains one basic principle. Each section describes an ingredient for cultural change. The first chapter in this part is about generating energy for change. In the second chapter, I examine the formulation of the ambition for the change and the evaluation of the level of the change. The third chapter concerns the role of the leaders who place themselves in the change and build a coalition for the change. The role of leaders is also discussed in more detail in part three of this book. In the fourth chapter, I discuss the relationship with customers and the organization of work processes. The fifth chapter goes into how the change is guided and the commitment of staff during the change. The sixth chapter is about playing with time and rhythm and creating peace and space for change. My closing chapter for this part contains a summary of success factors for the approach to cultural change in organizations.

Generating Energy for Change

This chapter is about generating energy for change. Without people who want to put some energy into a change, the culture of an organization will stay the same old way it was. Underlying values will turn out to be unchangeable and entrenched patterns will continue to exist. Energy for change can arise from a crisis situation and the realization that changes are necessary. The energy for a cultural change can also come about by using developments in the environment as a stimulus for renewal. Crisis situations and changes due to the environment come from outside the organization. Energy for renewal can also come from people inside the organization. The humiliation of managers and employees or the shame of professionals can lead them to go down new paths. Honestly, naming problems contribute to support for a change. We will discuss, in order, the use of a crisis situation, latching upon changes in the surroundings, naming problems and use of humiliation and shame.

Using Crisis as a Driver of Change

KPN is a leading telecommunications and IT service provider in the Netherlands, offering wire line and wireless telephony, internet and TV to the consumers. KPN offers business customers complete telecommunications and IT solutions. In Germany and Belgium, KPN pursues a multi-brand strategy in its mobile operations and holds

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position number three on the market. In 2002, KPN was threatened with liquidation. The directors and managers realized that other decisions have to be made very quickly. "It had to become much more commercial and professional. We shut down divisions at high speed. It became more competitive in all sections. It really does help to take 10,000 people out of an organization: people cannot hide anywhere anymore. You have a much better view of everyone's performance. You could no longer escape, and the first objective was: survive!" For the Human Resources (HR) department, the crisis means that their own department has to shed people as well. From the basis of the crisis situation, the manager of the HR department takes drastic measures in his own department. He has a task analysis made and the standard tasks outsourced. This affects about 90% of the work. Only the real HR professionals remain employed at KPN. These professionals are given the task of contributing to the quality of management and providing optimum support to management in the realization of business objectives. "The biggest challenge of working in this organization is in performance management: the difference lies in the extent to which the manager is able to challenge his own people and equip them for excellent work performance. If the discussions between managers and employees are successfully matched to the pursuit of excellent performance, then as far as I am concerned, you are close to the Holy Grail."

Of the nineteen organizations in this book, six use the crisis they are experiencing as the reason for realizing cultural change. They choose a tightly managed and radical change approach. A crisis emphasizes the urgency for getting into action, but a crisis without a vision will lead to paralysis rather than movement. In contrast to what many managers think, you do not need a crisis for cultural change. Creating a "burning platform" or a feeling of urgency is not a condition of success, but if a crisis does occur, it is better to make use of it.

A crisis situation puts the existing working methods and culture under pressure and can get a cultural change moving. In a crisis, it is clear to everyone that things cannot keep going the way they are. "The way we always do things" does not work anymore. A crisis causes a shock and contributes to the realization that the self-evident truths in the organization need to be broken. Never let a crisis pass by unused, is one of the sayings, as a good crisis offers opportunities for implementing real changes

in the structure and the culture of an organization. The shock of the crisis, the drastic changes in the structure, forced redundancies and the accompanying uncertainty can have a disrupting effect. The uncertainty can turn to paralysis if it is not clear which direction needs to be followed to get out of the crisis. The art of management is making clear that this concerns a threat to the whole organization. Full disclosure is necessary to make the position of the company clear. Energy for change can be created by expressing the confidence that a new future is possible through working together in unity. This requires leaders in crisis to radiate confidence that things will turn out alright and to call on their employees to follow them. A crisis can lead to a turning point, a new path to the future. Often, it involves a radical intervention in the organization, as the example above shows. The reason for the intervention is the threat to the continued existence.

Managing cultural change in crisis situations means:

- Gathering indisputable facts on how the business is going and being totally open about the situation the business is in.
- Stating that interventions are needed and that it will never be the way it was again, without disqualifying the past.
- Being sympathetic to the feelings of uncertainty, the loss of colleagues and of old values and habits.
- Making the power and the pride of the organization visible and revealing how a new future is possible from that power.
- Formulating a vision of the future that makes evident that there is a future for the business, albeit in a different form and with different working methods from now.
- Specifying which activities will be stopped and showing some understanding at the same time that it is a difficult decision because colleagues are dismissed.
- Bringing a clear message about the strategic values and the core activities of the new enterprise and the behaviour that is appropriate for it.
- Outlining the approach that has been chosen and the further steps that must be taken to get out of the crisis and work on a new future.
- Retaining the focus on the customer and the market and taking it as a guiding principle in developing new market-oriented activities.
- Expressing confidence that a joint effort will get the business back on top again.
- Inviting people and giving them confidence to participate in the necessary change and build up a new future.

Creating a Sense of Urgency

The aviation industry is under enormous external pressure. Competition is high and the prices are under pressure. In order to stand out, a balance needs to be achieved between the price and the quality delivered. There is pressure to innovate in the provision of service. Customers want to be able to book and change their flight from the comfort of their own homes. And they want to be able to fly to many destinations without the hassle of transfers. Society sets increasingly high requirements to limit the negative effects on the environment and environmental organizations look critically at the sustainability of air traffic. The stringent safety requirements and pressure to reduce costs demand innovation in the maintenance of the airplanes. The economic crisis is responsible for a drop in the number of passengers and the amount of freight and puts enormous pressure on the prices. If the labour relations come under pressure and leads to strikes, it can result in huge damage to the reputation and fewer customers in the future. The question is how a business can take this pressure from the surroundings and use it to achieve a renewal of the company strategy, the service, the work on the ground and in the air and the labour relations and can invest in international collaboration. KLM and Air France are the first companies in the aviation industry to take the initiative to combine forces. An explanation is given to the staff as to why the company chooses this offensive strategy. The organization also emphasizes the pride and strength of both companies and indicates clearly how the merger will contribute to making its own competitive position stronger. The company becomes the largest airline company in Europe with the largest number of destinations in the world.

Of the companies in this book, four organizations explicitly seize on the pressure from outside in order to get a cultural change going. The cultural change in these organizations goes less in fits and starts than with the companies in crisis. The reason for the change comes from changes in the environment, such as changing customer demands, increasing competitive pressure or new technological developments. These changes in the environment are conducive

to a gradual change of strategy, structure, working methods and culture. It is striking that the organizations in this book do not see their environment as a threat. They do not make use of their environment to create a sense of urgency for change and motivate people to change through that urgency. They see their environment rather as an exciting field in which opportunities present themselves. This makes it possible to choose a step-by-step change approach in which people are involved to imagine and realize the future.

In order to use the environment as a source of energy for change, you need a good picture of what is at hand in the surroundings and you need to form a vision of the future for what the new organization could look like. The advantage of an argument for change from the environment is that the current situation is not disqualified. The cause of the change is outside and does not lie in dysfunction or errors in the past. For superiors and managers especially, this external orientation is meaningful because they often identify with decisions taken in the past. From the pressure from the environment, they can choose an offensive strategy that appeals to the strength present in the organization. Because more time is available for the change, they can involve more people right from the start. The art is in imagining the future. Interventions like future conferences, search conferences or “open space” can be useful in imagining the future.¹ In these kinds of interactive interventions, people with different positions and roles get together to identify changes in the environment and make a picture of the future together. It is quite possible to involve customers in the development of a vision of the future. Involving customers in strategy development is certainly not widely accepted yet. This is strange because involving customers can provide surprising new perspectives that go much further than your own perception of the environment. It is also possible to make a picture of the future in test projects and represent it concretely in a simulation of how the future could be. This strategy of seduction works well in a step-by-step change approach where the precursors show enviable successes in the new working method.

Using changes in the environment is quite possible if you:

- Identify what is important in the environment, what is happening in the political and economic situation, what the changing customer wishes are, which technological possibilities offer opportunities and which societal themes are emerging.
- Choose interactive approaches so that the developments in the environment can be identified by all sections of the company and the future can be imagined together.

- Involve customers in the development of the strategy because this brings in a “third” perspective that goes further than the usual mindset.
- From your own strength and pride, show how the change contributes to an attractive vision of the future, in which this strength is expressed.
- Make successes visible, as success attracts success and good examples are followed.
- Take the time to implement changes in structure and culture and properly monitor the progress of the change and if necessary, adjust the approach.

Articulating Problems

The first thing the new manager at Philips Recruitment Service does is hold discussions with customers in the business units and with the recruiters in her own department. These discussions form the basis for her to articulate the department's problems. She lays her finger on the spot and discusses the inward-oriented attitude of the recruiters. The new manager is the personification of the change in working with the customers. She does what she wants her department to do. She investigates the needs of line managers, takes their wishes seriously and also bears the demands of headquarters in mind. She makes clear to the recruiters in her department that Recruitment has to adopt a multiple customer orientation: the line manager who has to fill a vacancy, the job applicant who is looking for a job, educational institutes where young potentials are studying and headquarters with a need for young professionals with leadership qualities. The recruiters are stimulated to investigate the experiences of these customers with the service of Recruitment and to inquire the needs of these customers. This intervention makes the customer perspective the key element and focus in the work of Recruitment. Step by step, the department works on the problem areas experienced by customers. The new manager adheres to three principles that are leading in her change approach: (1) know your customer, you live from them and you have to serve them as well as possible; (2) know the facts, then you know what you are talking about; and (3) know your team, then you can work together on quality.

The story above is an example of how a leader collects indisputable facts and identifies problems concretely. Articulating problems indicates clearly what the leader does not want. In ten organizations in this book, leaders articulate concrete problems as to why things cannot continue the way they are. In three companies, leaders in cultural change choose to indicate explicitly what they do not want. They denote clearly which work practices will no longer be tolerated and invite others to find alternative work practices.

In order to create a starting position for a cultural change, a leader can decide to articulate problems concretely and not to avoid them. Naming problems openly and honestly and making your own role in them discussable creates confidence and gives energy for renewal. One specific form is working with “unvalues”: values that are no longer acceptable. Leaders in cultural change can choose to be authoritarian about the problem, as long as they stay out of the concrete solution. The problems must be based on indisputable facts and illustrated by concrete negative and positive examples. This creates a nice tension in which renewal can arise almost naturally in the self-evident patterns. In general, if consensus about the problem is reached, this means a large step has been taken. The same applies to cooperation between organizations in chains or networks. Recognition of problems and acceptance of problems provide a basis for getting to change. When problem acceptance is the basis, often a gradual change approach is chosen with the people involved contributing greatly to working on solutions.

Articulating problems helps to break through deep embedded behavioural patterns if:

- The problems are based on indisputable facts and concrete negative and positive examples,
- The leader's own role in the problem is not denied, but is a visible part of the story,
- The examples give people the feeling that indeed things cannot keep going this way and that something has to happen,
- The leader has decided on the problem and indicates why things cannot continue the way they are,
- The leader makes concrete what is no longer acceptable and formulates principles the solution must satisfy and
- The leader creates space for the people in the organization to come up with solutions themselves.

Expressing Humiliation and Shame

Youth Format is an organization for providing help services to young people and their parents. The 850 professionals at Youth Format offer professional help to children, young people and parents who cannot cope on their own for the moment. They have difficulties at home, at school or problems with themselves. On the basis of the pride and the shame of the professional, a process is started to experiment with new work practices. "Sometimes as a care provider in youth care you are at your wit's end. Things are just going right with a child and then we are forced into a different form of help services, because the funding flows do not allow the child to stay with us in the group. You get the feeling that all your work was for nothing. It is frustrating to have to start 'peddling' a child to get different assistance. As care worker you are ashamed of the system you work in. I want to make an effort to intensify the cooperation with our chain partners and see what we can do." At Youth Format, the commitment of the professionals to their work is the starting point for change. The ideas for new work practices arise from concrete cases that employees are proud of or conversely ashamed of. The renewal that comes about from these concrete situations goes beyond the boundaries of their own organization and breaks set relations and work practices. The renewals that are realized form an example for others.

Professionals in care institutions quite quickly experience professional shame and pride about the way they have to do their work and the effect it has on the people who need help. The managers at Albert Heijn experience a deep feeling of humiliation when they are confronted with a financial disaster due to fraud within the Ahold group. Albert Heijn has always performed excellently, but its environment suspects the company because of the fraud case. They decide to put their heads together and show that it can be different. The humiliation results in self-reflection and new energy to make Albert Heijn the best supermarket business in Europe.

Humiliation and shame are important sources of energy for renewal of existing relationships and work practices. Feelings like "never again" and "this is not what we want" result in people looking back on dramatic events and questioning self-evident truths that led to the humiliation or shame. The

shame of professionals and humiliation of managers can contribute to their going down new paths. The cultural change gains shape because they want to make a difference and want to stick their necks out. This concerns managers and the professionals who want to make a difference on the basis of their own commitment and realize their dream. If the company management gives them the space and the trust, innovative approaches and experiments can arise, which signify a breakthrough in existing values, standards and work practices. The strength for renewal is often already present as a dormant force in people in the organization. Sometimes it does not take much to tap this source of renewal. The experiments gradually lead to an idea of what the future could look like and how renewal is possible. Positive experiences lead to a new vision of the future. This working method requires a step-by-step change approach that allows space for innovative experiments and that takes the time to share experiences and learn from them.

Using the internal strength for renewal comes down to the following:

- Know and make discussable your own passion and the passion and shame of the professionals and managers,
- Provide direction and space for innovative experiments that match the energy that is present,
- Link experiments that renew and break through frameworks to concrete work situations in which the tension between dream and reality becomes visible,
- Make connections at all levels in the organization to allow the renewing experiments to succeed and
- Make successes visible and tell stories about them, so that others feel they are held to account and will also take initiatives to work on renewal.

Note and Reference

1. Boonstra, J. J. & L. I. A. De Caluwé (2007) *Intervening and Changing: Looking for Meaning in Interactions*. Chichester: John Wiley & Sons, Ltd.

Envisioning

A crisis situation, pressure from the environment, a shared problem experience or a feeling of shame are not specific conditions for cultural change, even though they can help to expose basic assumptions, question existing values and standards and reveal entrenched patterns. You need more to change the culture in organizations. In this chapter, I discuss the articulation of ambitions, the imagining of the future and the evaluation of the level of change.

Building Common Ground

The vision of Amazon is to offer “Earth’s biggest selection of products and to be Earth’s most customer-centric company.” This vision is translated to the daily business, namely to “relentlessly focus on customer experience by offering our customers low prices, convenience, and a wide selection of merchandise.” In the words of founder Jeff Bezos, Amazon’s effort is building a place where people can come to find and discover anything they might want to buy online. This vision of breadth and selection lay behind the choice of the name “Amazon,” the name of the world’s largest river. How the company could best deliver on this vision is a continuous key question for people inside the organization. Servicing the customer has led Amazon to embrace selection, price

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and convenience as the key dimensions that define customer experience. The vision behind this is the conviction that in a world that is becoming more transparent and turbulent every day, it is strategically smart to align yourself with the customer. The company defined three sets of customer: customers, seller customers and developer customers. A lot of the strategy comes from having very deep points of view about the customer, believing that they are stable over time and making sure that business activities line up with the customers. There are over 80 million customer accounts and more than 1.5 million active seller customers. The developer customers use Amazon Web Service, which provides easy access to technology infrastructure such as hosting that developers can use to develop their own web services. Amazon talks about their customers as “our community” that creates a feature-rich context, including product reviews, online recommendation list and buying guides. Jeff Bezos stated that it is important to be stubborn on the vision and flexible on the details. Amazon experienced an evolution in the marketplace business, started as an online bookstore and now offers all kinds of products and services. The company made a lot of twists and turns in the execution of the vision and worked on features that the customer did not use. The vision is based on the strategic questions of why we exist and what we are. The answers to the strategic questions are stable. It is certain that broad selection, fast delivery, low prices and high convenience are the pillars for the vision that makes Amazon one of the most successful online stores.

A challenging and clear vision provides direction for the actions of people in an organization. It also provides direction to the people who work there. People who are strongly customer-oriented are strongly attracted to the vision of Amazon and the strategy that derives from it. People who are competitively minded will not choose as quickly to go and work for Amazon. The clear vision thus strengthens itself. Arcadis also has a strong and appealing vision: “We aim to enhance mobility, sustainability and quality of life by creating balance in the built and natural environment. Over the years, we have worked diligently to retain our core values, and we’ve made it our priority to ask ourselves the tougher questions about who we want to be – as a trusted consultant, as an employer, and as a corporate citizen.” 3M also has a clear leading vision with the statement that

they want to be the most innovative enterprise in the world. This vision clearly shows what 3M's distinguishing competence is. All the businesses in this book can see quite clearly who and what they are and what distinctive qualities they strive for. Formulating a clear and challenging vision is an effort for top management. A vision of the future of a company corresponds closely with what I wrote earlier about the importance of a business idea. The formulation of a business idea is about organizations knowing what they stand by and go for, knowing and using their core qualities to realize renewal and being able to distinguish themselves by creating value for their customers. Often such organizations are founded through the strong vision of the founder or a leader. Successful visions in large, mature organizations are rarely the product of a single individual. The vision evolves over a longer period of time and is the product of a participative process involving important people in the organization who must embrace the vision for it to be successful. In organizations carried by vision and values, word-of-mouth advertising is sufficient. The products are bought, not sold.

An inspiring and appealing vision is based on a picture of the identity of the organization and comprises at any rate:

- An idealized picture or a dream that conveys an intuitive, appealing picture of what the organization can be in the future;
- A source of self-esteem and common purpose that helps people to develop a sense of purpose about their membership of the organization;
- The general purpose of the organization and the added value for customers, shareholders, business partners and society as a whole;
- A picture of the identity that transcends the business units and divisions distinguished and has a binding effect;
- An explicit vision of who the customers are and which customers the organization considers part of its customer group;
- Clear customer values and core values that connect staff and customers;
- The competences with which an organization occupies a specific market position and distinguishes itself from possible rivals;
- Explicit statements about the guiding principles and what can go at the expense of what and
- Detailed answers to basic questions such as what product to make or service to provide, how decisions will be made and what values influence decisions.

Clarifying Ambitions

At the Rabobank, a number of local bank directors report that the needs of the customers are changing. Customers seem to want to do increasingly less with the bank branch around the corner and more via ATMs and Internet banking. The bank directors are of the opinion that Rabobank Group should put the possibilities of information and communication technology (ICT), mobile devices and social media to better use to improve its service. They fear they will be pushed aside by the competition, especially by newcomers that keep their expenses low by using Internet technology, as happened in the aviation sector. The chairman of the Board of Directors picks up these signals. He brings in an external Internet expert to work with a team on improving the service to customers through the use of information technology. The expert gets to work and collects ideas from inside and outside the bank. His principle is: everything is already there, but often not at the right spot. He works separately from the organization as it stands, as an innovation venture. This is the decision of the board chairman, who wants some speed in this. In 2001, they have an e-Commerce programme. The Board of Directors takes it over. The plan visualizes what customers will experience in 2008 as a result of changes to the systems, the structure and the work culture. This visualization makes the ambition of the bank of the future visible and tangible. All the bank directors are invited to come and have a look. This shared ambition forms the basis for the team to get to work in an enterprising way with a step-by-step change approach that the ambition makes possible.

The example of the Rabobank serves to illustrate how the board chairman takes up the ambitions of the local bank directors. He gives direction to the ambitions and makes good time in order not to lose the moment. Due to the complexity and drastic nature of the change task, he chooses a step-by-step change approach. Organizations that are successful in cultural change have a picture of the future in mind and an ambition that gives direction to the change and stimulates people to participate. They put the customer in the number one position and want to qualify for the future.

Ambitions can come into being in very different ways. Sometimes, top management takes the initiative to articulate a vision and an ambition for the

future. That is usually the case if the business is in a crisis situation or if it concerns a process of cultural development that spans a period of several years. Top managers have to play an exemplary role as formers and carriers of the culture. Other times, managers and employees are also involved in helping think about the future ambitions. This often happens in organizations that employ many professionals and where there are problems with no obvious solutions. Contributions from professionals are needed to formulate and realize solutions. In a few cases, leaders in cultural change invite customers and partner organizations to talk with them about the ambitions for the future. Sometimes, an organization simply starts on innovative experiments and uses successes to show how things can be done differently.

Articulating ambitions focuses on a few questions:

- Who has a good eye for what is going on inside and outside the business? Who has insight into customer needs? Who is well informed about new developments?
- Which ambitions are important in the organization? How can we give the ambitions space?
- How do we imagine the ambition in appealing pictures and stories? How far do we go in promoting our ambition and how do we translate the ambition into a vision of the future?
- Who can help us in translating the ambitions into a strategic vision and into initiatives in which the ambitions will be realized?

Articulating Mission Statements

Olijslager is a paint wholesaler in the north of the Netherlands. Its customers are independent painters and painting businesses. Olijslager wants to offer optimum service to painters. To do this, it adheres to four principles: reliability, faultless service, competitive pricing and innovativeness. To be the best supplier for its customers, Olijslager invests in innovative products and services. It stands by its guiding mission “Simply close by”. There are all kinds of ways for painters to make their orders. They can ring from the scaffolding, order through the Internet at home or visit a store where they can also receive advice about products. The employees support the painters with their knowledge of paint products and the possibility of getting new customers. The company is

also close by with respect to the painter himself. For environmental and health reasons, the business encourages painters to start working with new paint systems that are water based. From the perspective of the mission, employees take the initiative to organize information meetings for painters about this new paint at times when the painters have more time anyway, due to the crisis or bad weather. Employees also make a CD for the painters with music for on the scaffolding. The economic crisis took its toll on the painting industry. However, through its strength and vision, Olijslager was able to overcome the crisis and overtake its competitors. Here too, “Simply close by” is the leading principle. The acquisition of rivals gives painters the feeling that Olijslager is physically close by and always ready to serve them.

The example of Olijslager illustrates how a clear mission enables companies to put their core qualities into action to realize renewal and make themselves stand out by creating value for their customers. Amazon’s mission is: “Earth’s biggest selection of products and to be Earth’s most customer-centric company.” At Dutch Railways, it is about “Contributing to sustainable mobility.” The mission of Youth Format is: “Youth care as if it is your own child,” while 3M focuses on innovative technology in a changing world to be the most innovative company in the world.

Leaders in cultural change are rarely guided by what their rivals are doing. They focus on their customers and the market. That does not mean that they have no idea what their rivals are doing, but orientation on the competition can never result in an inspiring vision that originates from strength. What it is about is your own unique mission that fits in with the business idea and the core qualities of your organization. A clear and attractive vision gives direction to behaviour and strengthens the desired cultural values in a company. It motivates people to cultural change.

A few questions lie at the heart of articulating a mission:

- What is the context in which the mission is articulated? Is there a crisis and is there little time? Is the organization under pressure and is there time to develop a joint mission?
- Is the business doing very well and do we have the time to collect as many ideas and perspectives as possible?
- Who takes the initiative? What is the role of management? Can management agree about the mission and the strategic priorities?

- What kind of contribution is required and who will participate? What kind of people from outside the organization can provide positive input? Do we also allow customers to participate in the articulation of a mission?
- How do we prevent tunnel vision? Who can help us with differing opinions and critical questions?
- Who can help us translate the mission into day-to-day activities and who can initiate contact with customers?

Expressing Levels of Change

The ambition of the Immigration Service is to make the alien applicant as the central focus of the primary process. The organization articulates this ambition from a situation characterized by large backlogs, many complaints and complex collaboration issues between chain partners. The process of change needs to be simplified and made manageable; in order to do this, management distinguishes between “getting the service into order,” “improving the service” and “renewing the service.” This turns out to be a fortuitous decision; the backlogs are quickly gotten out of the way. This is a condition for making free time internally and allowing attention to improvement and renewal. The improvement projects that follow show results in the short term. Support for and enthusiasm about renewal arise and confidence grows in the course embarked upon. The programme manager put it this way: “The focus in the primary process aimed initially at getting rid of the backlogs. Only once the bulk of that had been gotten rid of, were renewal actions from the project office put into motion.” Or, as the general director says: “first we have to pulverize the backlog millstone, before we can even think about commencing renewal.” Once initiatives for change and renewal become visible, line management can breathe a sigh of relief. Finally, they can work on the renewal of the organization.

Organizations that work successfully on cultural change do not choose to implement behavioural change through a planned or programmed strategy of education and training. Dutch Railways learned that this approach does not contribute to real changes in the work and behaviour of employees and managers. At the Immigration Service, the backlogs are so large and the ICT systems so unstable that the organization first has to work on better performance.

The Service therefore puts all its energy into getting rid of the backlogs and getting on top of the crisis. This involves a tight and planned change approach with a specific project organization. The same applies to KPN. First beat the crisis and get the company into order, and only then take the second step. It is striking that both companies, after getting business operations and performance into order, almost yearn for the real change of working methods and culture and for renewal in the relationship with external partners.

Cultural changes are often drastic and linked with renewal in working methods and other patterns of collaboration with partners inside and outside the organization. Cultural change entails a change of strategy, structure, culture, systems and working methods. This points to second or third order change.¹ With a second order change, a transition is involved from an existing and known situation to an as yet unknown situation. In a manner of speaking, it involves a journey through a partially foreign landscape. This is certainly the case with mergers. Or it involves a change whose direction is clear, but the new working method still has to be developed. It could also concern a gradual process of cultural development in which the organization focuses increasingly on the customer and the market. With third order changes, it is not clear what the actual problem is. This concerns intangible and unmanageable issues, such as the role of the police in society, the renewal of the local administration or the help services for young people who are in trouble. In that case, the change is a search process into the backgrounds of the problem and into new working methods and forms of conduct. Often dialogue with the parties involved and experiments are decided on in order to discover what the problem entails and which possibilities are there for renewal of working methods and underlying basic assumptions. These third order changes are visible if there is space to work on innovative experiments for as yet unknown problems. In third order changes, there is usually a shared ambition that brings people together to get to work. Assessing the change level actually involves the questions: What is the initial situation? What do we need now and who do we want to involve? How do we tackle the change and which change approach do we choose? How do we, as management, ensure that there is coherence between the different changes? In fact, it is quite simple. If it involves objects that have to be changed, an organization can choose for a planned and tightly controlled approach. Objects are technical or financial systems. They do not talk back when there is change. If it involves subjects, leaders in cultural change choose a step-by-step change approach in which the parties involved have input. Subjects are people. They talk back. Usually people do want change,

but they do not want to be changed. Changes to strategy, structure, culture and working methods always concern people who carry the change. In this situation, a planned and tightly steered approach is not useful. Leaders in cultural change do not choose this approach in those situations, but search for possibilities for working together in a step-by-step approach.

The companies in this study carefully examine the issue that they are faced with and the level of change, and they aim their change approach accordingly.

- In situations of crisis and poor performance, the companies choose to first get the financial position and the business operations in order. To that aim, they often arrange a separate project organization that designs and supervises the change process strictly.
- For mergers or gradual cultural change, companies choose a step-by-step approach in which they adapt the change process to what is needed and desirable at that moment. The change is tackled in the line organization by its own management.
- If the issue is ambiguous or it involves a quest for the company's own identity, companies choose an experimental approach and a learning strategy. Management plays an important part in the giving of meaning and in getting players together who start a game of renewal.
- First, second and third order changes can partly run in parallel, but they are separated by approach and target group. The first and second order changes can follow each other in time.
- First order changes prompted by a crisis often lead subsequently to second and third order changes, which revolve around the question of the identity of the organization. Management already anticipates this while getting the business processes and performance into order.
- In second or third order change processes, sometimes a first order change process is distinguished and arranged separately, such as organizing a relocation or modifying technical systems to enable collaboration. Or, with a merger process, wanting to give clarity quickly about what the merger means for customers and employees. A tightly steered and planned change process is what that part calls for.

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Creating Commitment

Creating commitment is a basic principle in changing an organizational culture. A cultural change cannot come about without commitment. It is about commitment to customers, external partners, board members, managers and employees. Cultural change means combined action. In this chapter, I describe how leaders in cultural change take up a position, reduce distances, build a leading coalition and organize commitment.

Being There

In the Netherlands, Quadrant is one of largest providers of support to people with limited mental capacity. Around 13,000 employees work in the organization at more than 1,000 locations throughout the whole of the country. What is offered is widely varied: from help for independent living to 24-hour shelter and from supervised employment to intensive treatment. Quadrant wants to create a more mature relationship with residents and their families. The concept of the “customer wishes approach” was introduced for this purpose. Introducing the customer wishes approach results in the work being interpreted differently. The wishes of clients and their families are given an increasingly important place in the daily work of the staff. The director of Quadrant regularly has discussions with clients and

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their parents about their experience of the support for their mentally handicapped child. One of the parents of an autistic boy had this to say about it: “We simply put some examples in an email about what had happened in the past years with our son. Within a day we received a reaction from the director in which she said she was very shocked that this could happen in her organization. The next Thursday she visited us at home and for the first time in years we had contact with a director who was open to our story.” The director processes these discussions into examples that make clear what she definitely does not want and what the customer wishes approach means and does not mean. It is often difficult in welfare services to understand how the work fits together and why changes are so troublesome. That is why she chooses sometimes to investigate on a detailed level how the work processes within the organization fit together and to decide what should be different. She circumvents the hierarchy in doing this. If there is a job vacancy at management level, she does not get it filled immediately. She herself, or someone from her direct environment, first takes up that position. This gives her insight into the work processes and into what professionals in that position can do to work according to customer wishes.

The Quadrant example illustrates a leader who puts herself in the change. The board members of Dutch Railways also put themselves in that position. They regularly ride along as conductor on the train and every day they are customers. During those trips, they chat a lot with people and listen attentively to the stories of the customers and the conductors and train drivers. The manager at Philips Recruitment talks with customers and confronts her employees with the perspective of the customers on how the department is functioning. The directors at Youth Format also know situations down to the case level and use them to make clear what they believe is exemplary youth care and what is not. They know their people and challenge them to start experiments that open up the entire chain of youth care to renewal.

Leaders who work on cultural change know their customer and the customer process. They know what is at issue in the workplace. They know their people's convictions, they understand the patterns of play and they gather stories and examples. Being there is about knowing what is happening and about giving meaning. In the discussions at work, they know the

language and through their examples and questions, they give meaning to situations that arise. Being there is also about visibility, showing respect, reducing distance, fulfilling an exemplary role and building trust.

Being there means

- knowing customers and the customer processes and being able to link the daily work processes to the ambition and the dream of the organization,
- knowing employees and their convictions and being able to talk about that on an equal level,
- recognizing patterns of play and daring to ask questions about entrenched patterns: why things go the way they do,
- being visible if unexpected and shocking events happen and giving meaning to those events in line with the identity and ambition of the company,
- collecting concrete examples and telling stories of what does and what does not match the vision and the values and standards of the organization and
- being in discussion together with people from all levels about the meaning of the company and the forms of mutual cooperation and daring to present yourself in a vulnerable position in this.

Bridging Gaps and Distances

Railroad traffic in the Netherlands ranks among the best in the world. There are few other places where as many trains ride as often on such an extended railroad system. This extremely complex system requires Dutch Railway employees to be able to trust each other on the basis of their professional knowledge and experience. Open and direct communication between all parties involved and between train personnel and managers is vital in this endeavour. This makes or breaks the service for the travellers. “You have to know each other to be able to trust each other,” says the board chairman of Dutch Railways. “That means you need intensive and direct contact between the experts at the main office and the daily reality of the operational railway company, distributed throughout the entire country.

Achieving something together, with respect for each other. That is what it is about. We strive towards an appreciative organization with simplicity as our guiding principle. If something can't be explained in simple terms, we won't do it. The most important principles for the management and design of changes within Dutch Railways are (1) offering structure, (2) personal attention and (3) recognizable methods. For me that is the appreciative organization."

In the organizations in this book, directors and top managers reduce the distance between the managers and employees. They can be held to account for their vision and their change approach. At 3M Health Care, top managers make efforts to interact with employees on a regular basis by addressing groups every other week. These sessions usually last for two hours. Top management speaks about the vision for the future and strategic plans of the division and there is time for open discussion where ideas for improvements and innovations are exchanged and questions are answered. At the Rabobank and Dutch Railways, trust plays a key part in bringing change into a company where the customer has first place.

Leaders in cultural change bridge the gap between directors, managers and operational staff. They are visible, can be approached and they experience what is happening. A customer-oriented service culture is at odds with a hierarchical culture. Breaking through the hierarchy is one ingredient for cultural change. The distance between management of a company and the employees can be reduced by visiting branches, attending work lunches, joining in at drinks, posing and answering questions via intranet, participating in the work and inviting people to spend a day with the board members at work every so often. Cultural change is about closeness and trust. Questioning values and standards and making basic assumptions discussable is only possible on a basis of trust. There are many ways to reduce the distance, be visible and build on trust. One thing is certain: closeness and approachability are essential ingredients in a strategy for working successfully on cultural change.

Bridging gaps and distances means

- building relationships between management, staff members and people who work in the daily customer processes,
- jumping in if required and being there if something special is happening or if there is an emergency,

- being accessible as management, approachable as management and using opportunities for informal discussions and meetings,
- getting figures to do the talking if it involves increasing customer value or improving the result,
- working on mutual trust by walking the talk and honouring agreements and
- recognizing, appreciating and celebrating successes and thus making the important values in the organization concrete.

Building Leading Coalitions

The director of the Finance department at Albert Heijn builds a small and decisive team for the realization of the change. “You have to develop strength and that is not possible with 15 people. You have to be clear about the process. It also has to be a fair process.” The way the change team is assembled contributes to the success. People who complement each other and are not copies of each other are sought. The investment in team development results in trust, respect for differences, openness and welcoming success for each other. The members of the core team are in their prime because they each practice the work style that suits them best. “The one will be more structured and want to lay out steps, while the other keeps control of the main lines and does not get entangled in the details. We are different, but we have an underlying foundation of the same values. We all represent the desire to work together.” There is room for different perspectives, so that tunnel vision is avoided and the core team does not lose sight of the bigger picture. They start an intense dialogue and ask themselves whether they are doing the right thing, where their added value for the customer can be found in the store. Their thinking does not stop at the store manager as the immediate user of their services, but they define themselves in the whole chain to the final customer: “For us it’s about the consumer. We are the business, together with the store managers and all our specialist colleagues.”

The example of Albert Heijn is evidence of a deliberate choice for a small and decisive team, under the leadership of the department head, a team that can achieve things. This is what is required in the context of the

change. The merger of KLM and Air France is prepared by a small coalition in which both board chairpersons play a main part and call in a limited number of managers in the initial phase for working out the collaboration agreement. At KPN, the leading coalition consists of the board members and middle management. In management conferences, they set out lines to the future and also tackle each other on their behaviour. All organizations in this book have a team that pulls the cultural change and shows exemplary behaviour.

Change means teamwork. Leaders in cultural change understand that. In each case, they look for a leading coalition that can bring on the change. The choice is different each time. The coalition can be broad or, alternatively, it can be narrow; it can comprise only people from within the organization or it can also involve people from outside. The determining factor in choosing to form a coalition is the question of who is needed to form a leading coalition and a critical mass for cultural change.

It is striking that the leading coalitions have space for difference and diversity. The leaders look for people who contradict them and build up a team of people from different backgrounds and with different qualities. They themselves are capable of using this difference and appreciating the diversity. The people in the leading coalition see each other very regularly and know how to find each other if need be. They are not steering groups or project groups. From a distance, they more resemble groups of friends who respect each other and dare to tell the truth. An important question in successful cultural change is what the leading coalition looks like and who participates in it.

A leading coalition is necessary for cultural change. The leading coalition consists of:

- People who know the work processes and are willing to change. They are people who want to give the example themselves and be held accountable for it. They are not followers but people who are ready to take initiative and whose hearts are in the business.
- People who come from different backgrounds and have different expertise and who appreciate each other precisely for that difference, because they complement each other.
- People who are open to suggestions and criticism of others and willing to involve others and ask for their experiences and ideas.
- People who are prepared to tell the truth, even when this truth is inconvenient and who want to play a fair game without tricks or surprises.
- A leader who knows how to appreciate differences, values the qualities of the team members and entrusts them with responsibility.

Organizing Involvement

Amazon supports teamwork and involvement with their customer-focused approach everywhere in the organization. A team of senior managers stays abreast of what the company is working on and spends several hours every week digging into strategic issues. Once or twice a year this team gets together in a two-day meeting where different ideas are explored. This way of strategic thinking happens for every single business in a similar way. It happens everywhere in the company on different scales. This distributed form of strategy development contributes to the involvement of the employees in the organization. There are three all-hand meetings a year in every division to provide information and discuss strategic issues. Jeff Bezos talks constantly about things like information perfection and customer obsession in relation to competitor obsession. He arranges breakout group discussions with employees on specific issues, called the Bezos groups, to brainstorm about customer needs and inventions. One way of building understanding of the needs of the customer is that every new employee has to spend time in the fulfilment centres during the first year of employment to understand the customer focus and the internal business processes. Another way teamwork and involvement are created is by getting every employee, no matter how senior or junior, to do 2 days of customer service every 2 years. Everybody has to be able to work in a call centre, and even top management has to be recertified. These initiatives create understanding between different positions and contribute to involvement on all levels in the organization.

Not only Amazon works on a broad coalition of people who give shape to the culture and take initiative. Quadrant also seeks cooperation with regional training centres, higher professional education and universities to provide a foundation for the concept of working according to the customer wishes approach and to bring attention to this work principle early in the professional education. Unique involves customers, branch managers and employees in the development of strategy and looks for innovative cooperation with external partners. Paint wholesaler Olijslager involves manufacturers, suppliers, trade partners, customers and employees

in strengthening its own identity and in innovations in paint systems, sustainability and health.

A leading coalition is not enough on its own. It also requires wider support and involvement of people who want to make an effort for change and people who want to work differently and want to break with existing habits by choosing a different approach. Thanks to their initiatives, things no longer go the way they always used to. New work practices give rise to new values and standards. Basic assumptions suddenly seem less self-evident. Leaders in cultural change ensure that the people who are directly concerned participate as widely as possible in the cultural change. They choose a change approach with contributions from all important players.

To realize the energy and support for cultural change, the companies find out

- who is essential within the company for the development of new work practices,
- who outside of the company can contribute innovative perspectives and support change and
- when all persons concerned can play a part, make a contribution and be kept informed of progress.

Focusing on Clients

Creating customer value is a reason for and a basic principle of cultural change. This can be seen in the change approach in the analysis of customer questions and the development of a service concept. It involves focusing on the customer process, simplifying business processes and realizing horizontal synergy.

Realizing Customer Value

For Dutch Railways, the traveller as customer is the central issue. The company realizes that the trip of the customer is more than just a train trip. The ambition is, as service provider, to serve the customers fully on their trip from door to door. The deep change from a technically and logistically oriented company to a service organization occurs in small steps, with a lot of attention for the concrete state of affairs in the operational process and for the craftsmanship with which that is performed. The core of the leadership lies herein: “You have to know what is happening, you have to understand it, and you have to give the example.” Leadership is thus a matter of behaviour and know-how and much less a hierarchical theme.

All the businesses mentioned in this book put the customer first. This was also discussed in Part 1 as one of the striking outcomes of this study. The

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motivation for the change and the approach of the change are aimed at the customer and have an eye for the uniqueness and strength of the business. For all nineteen companies, the customer question was analyzed and articulated in the change processes. In that sense, we can speak of a target-oriented change approach, realizing maximum customer value. This also indicates the direction of the change. Only the change strategy can differ. What the companies do not differ in is in paying attention to the customer in all change processes and reasoning the cultural change from the starting point of the customer need.

Developing into a customer-oriented organization means that the needs of the customer are taken as the starting principle for setting up the organizational process and structuring the work. It starts with knowing the customer and the needs of the customer. Most companies distinguish various customer groups with different wishes and needs. Setting up the organization process takes these customer groups into consideration. Different customer groups are served by specific departments. All employees who deal with a customer group can have all the information that is available about this customer. Systems for this purpose are available with customer and relation data. The customers themselves can almost always contact the organization in all kinds of ways: via internet, by telephone, by dropping in or by going to a counter for a personal appointment. Customer experiences are relevant because they help in getting to know the customer needs increasingly better and improving the service. Developing into a customer-oriented organization requires investment in the knowledge, attitude and skills of the employees and managers.¹

Companies that work on successful cultural change:

- know who their customers are and the needs of these customers,
- also know which groups they prefer not to have as customer,
- translate the customer needs into an inspiring and guiding vision,
- apply their unique strength and value the things that are going well in the company and
- know what they stand by and what they aim for.

Redesigning Business Processes

The Immigration Service seeks to simplify the work processes and decides to hive off some of its tasks. The process simplification started with the report from the Netherlands Court of Audit about the Service. Up to that time, the organization's work had been divided

into five main tasks. The first four tasks concern admission, while the fifth task handles the return and departure of asylum seekers who are not admitted to the Netherlands. This task does not match the other four tasks well and thus increases the complexity. In order to improve and renew the organization, it is not only necessary to have a clear ambition and change strategy but also to know what it is not about. This results in the decision to set up a separate organization for Repatriation and Departure and thus simplify the primary work process of the organization.

The complexity faced by the Immigration Service is so huge that the business processes must be simplified. This raises the question of what the business really consists of, what it is really good at and where synergy can be found in the performance of tasks. This actually concerns the business idea again and the question of what an organization stands by and goes for. The conclusion at the Immigration Service is that one of the tasks does not fit the business. The decision is subsequently taken to hive off this task. This decision allows the change to focus more on the ambition of the Service: the permit applications as key issue. Dutch Railways also chooses to simplify the work process. They form train series and bring management and train personnel closer together. This makes better guidance possible and enables collaboration on issues like punctuality and service. The Rabobank simplifies the customer process mainly by working with advanced information technology with which every bank employee can see at any moment how the dialogue with the customer is going and can pick up and continue that dialogue without any hindrance.

Simplifying business processes is part of a cultural change that affects the identity and the individual character of the organization. There is little sense in working on cultural change and improvement of the processes of cooperation if the business processes are too complicated or unclear. Leaders in cultural change merge the cultural change with lean organization, business process redesign and with renewal of the information processes. The cultural change is not an isolated phenomenon. It is an integral change process that addresses the business idea and in which strategy, structure, systems and culture change together to secure a good starting point for the future and to generate customer value. Companies working on cultural change often choose a step-by-step approach in which contributions come from the parties concerned. In order to simplify the

business processes, an expert approach can often be reverted to in which external experts examine the work processes together with people from the company and put forward proposals for the simplification of these processes. The external experts' contribution to the analysis of the work processes helps in creating a wider view than just the company's own work domain. This makes it easier to discuss entrenched self-evident truths. When the new work processes are worked out, the contribution of experts is useful because it provides a different language and enables people to look further than they usually do. If processes are to be simplified and the new working methods introduced, then it is essential that parties who are involved provide some input. In general, the more the people involved in the analysis and the elaboration of alternatives, the more simply the introduction takes place.

Simplifying business processes means:

- Knowing who the customers are, what the core task is and what that makes the customer and core processes.
- Daring to decide that some tasks do not belong to your core task and that it is therefore better to hive them off or outsource them.
- Choosing who will map out the business processes and examine them and who will come up with proposals for simplification.
- Checking what process simplification means for the change to working methods, for the organizational structure, for entrenched habits and for the culture of cooperation.
- Ensuring that the process simplification, structural changes and cultural change match each other seamlessly.

Achieving Horizontal Synergy

Arcadis works continuously on strengthening its market position by combining expertise and local knowledge. This involves horizontal synergy that goes beyond the borders of countries and expertise. By putting horizontal synergy to work, a framework contract was secured in New Orleans that will protect the town against floods. This contract was acquired because the specific expertise of water management and the reliable reputation were brought in and paired up with local knowledge. Without the expertise in water management, the matter

would never have been secured. Without the knowledge of the Americans of the local market and customary practices in tendering, the matter would never have been secured either. The culture of internal cooperation is started by putting the cooperation in an extremely prominent position on the agenda and by appointing people with entrepreneurship and cooperative qualities to key positions. The process of developing the cooperation within Arcadis was a gradual one. It is important that the professionals can find reinforcement independently. They must be enterprising. "The strength is in the combination. Having a strong local presence. You have to be there and know the customers, speak the language of the customers and know the local conditions. If you can't do that, you don't have a leg to stand on. If you can then bring in additional and unique expertise, you certainly have a headstart on the competition. The success of the cooperation provides a huge stimulus to people to take a look at their own physical and mental boundaries and look themselves for horizontal synergy." During the cooperation, the unique Arcadis culture of local individuality and joint strength towards the outside world comes into being.

A number of companies in this book endeavour to integrate knowledge and business activities from the customer perspective. Arcadis is a good example of this. KLM and Air France combine flights so that customers can fly to more destinations more easily. The Rabobank also combines customer activities. Specialties are combined in local bank offices so that the bank employees can provide optimum service to their customers. They can hold the dialogue with the customer at any moment about all the products that the customer has placed with the bank. The Immigration Service puts the applicant first. They arrange their work organization by distinguishing work processes that unite all the activities for knowledge migrants, labour migrants, family reunification and asylum seekers.

Putting the customer in first place and focusing on the customer process mean that businesses seek to exploit the advantages of cooperation between departments within companies and between different companies. It is about achieving horizontal synergy. Combining and exchanging knowledge and cutting across functional structures is one way of breaking through boundaries and subcultures between departments and working on a culture

of cooperation which puts the customer first. Using each other's strengths is also relevant in alliances between companies and in cooperation between partner organizations. This cooperation sometimes comes in the shape of a merger. In cooperation between departments and organizations, there is always the issue of cultural differences and how they can be used.

Companies that seek horizontal synergy work on

- insight into customer needs and value creation for customers and an eye to developments in the environment that require horizontal synergy,
- a clear strategic vision and a worked out business idea that delivers value to customers or contributes to social innovation,
- getting knowledge and experience together in specific synergy groups, knowledge groups or business activities,
- using information technology to combine knowledge and expertise and make them accessible and
- training courses that invest in the exchange of knowledge and in learning how to cooperate.

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Combining Upwards and Downwards Initiatives

Cultural change in organizations involves the combination of a change approach from the bottom up and a change approach from the top down. The approach from the top gives the direction, while the bottom-up approach creates space for renewal. With the top-down approach, leaders use their positions of power to make explicit the things they do not want. They can also use this position of power to switch players if the cultural change stagnates and a new impulse is needed. The approach from the bottom up guarantees the contribution of knowledge and experience of employees. In this chapter, I describe renewal as upwards and downwards initiatives, and I discuss switching players to break through moments of stagnation.

Generating Creativity for Renewal

The Ministry of the Interior in the Netherlands realizes that the government needs to innovate. This will improve the image of the government, increase its strength and make the government an attractive employer. InAxis was started as a unique experiment in order to stimulate this innovation. The instruction for InAxis is brief: stimulate innovation and the diffusion of innovations in public administration. InAxis is special because it cuts right across all policy areas and levels of government in doing its work. Moreover, the

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approach route is unusual. The starting point for renewal is not a policy issue related to content but the way things are organized. The aim is to really experiment with actual practice as a source of inspiration. Organizations outside of public administration that have ideas for renewal can approach InAxis. InAxis provides the real risk capital as it were for the implementation and distribution of innovative experiments. This is how InAxis supports and stimulates innovative ideas from the bottom up. The work practice serves as the source of inspiration. InAxis supports more than one hundred experiments that are very diverse. Examples are limiting red tape for entrepreneurs who can apply for seven catering permits in one go and bringing together all the organizations that work on water management and water purification in the same province. Or it might concern experiments with municipal cooperation or the stimulation of cooperation between police, youth services and housing associations on the issue of multi-problem families. The experiences are combined and disseminated. It is a stimulus for others to work on a small scale on renewal. InAxis has undeniably contributed to innovation in government. In total, InAxis supports almost one hundred innovative experiments. Some of the experiments are not successful. Other experiments do work but remain limited to the innovating organization. Most of the innovations are copied by other organizations or result in fundamental policy changes on a national level.

The example of InAxis is illustrative of upwards renewal, or from the bottom up. Youth Format also develops vital strength by setting to work on concrete cases from the work practice of its employees. From the cases, both the employees and the organization learn what works and what does not work. The lessons they learn from this are the input for the strategic renewal of their organization. When the blows of the economic crisis are felt in the building industry, the director at Olijslager calls all one hundred members of staff together. At the meeting, he informs them openly and honestly about the position of the company and he invites people to come up with ideas for strengthening their market position. Employees put forward the idea of investing in the education of painters, seeing as they have more spare time now anyway. The focus on the customer contributes to the company greatly strengthening its position precisely in the period of crisis.

Renewal that is created from the bottom up almost always contributes to making the identity of the organization stronger and to renewal. Thanks to the upwards initiatives, work processes and patterns of cooperation change, and through that, the existing culture changes as well. Organizations that give space for renewal from the bottom up choose a learning strategy that provides space for experimenting with renewal. They often collaborate with other organizations, which brings basic assumptions to light in a natural way. The strategy for renewal from the bottom up coupled with a learning strategy can result in remarkable innovations beyond the boundaries of your own organization. The learning strategy provides room for experimenting with new forms of cooperation and work practices. Successful experiments are a stimulus for further renewal. It proves to be a hugely powerful method for strengthening your own identity and achieving renewal at the same time.

Organizations that work on renewal from the bottom up

- deliberately choose a learning strategy for change in which people are given the space to experiment with new working methods in implementation or on a local level,
- give direction in the shape of a shared ambition and create space for experimenting with renewal,
- regard experiments that do not reach their goals not as failures but as learning experiences that were worth the effort and
- stimulate innovative experiments with external partners. The collaboration with others brings one's own values and standards to the fore and calls basic assumptions into question.

Using Power to Force Change

The director of care institution Quadrant decides to abolish the use of the isolation rooms from one day to the next. This decision is in fact a power intervention and is also experienced as such in the organization. The director enters into a dialogue with the employees about what abolishing the isolation rooms means for the day-to-day work. It emerges that the power intervention is a driving force for priming a movement towards working according to customer wishes. Other

questions are suddenly highlighted: Why does the client actually have problem behaviour and how can we prevent that? Or can a supervisor anticipate this? What changes in the relationship with the client if there are no longer any isolation rooms? The dialogue that follows the power intervention turns out not to reduce the professional space of the supervisors and experts but actually to expand it. One team leader put it this way: "It opens your eyes. We are now trying to be a step ahead of the problem behavior instead of punishing it through the use of the isolation rooms. It is a different way of thinking: Try to recognize signs of problem behavior in the resident and anticipate them."

The companies in this book know what they stand by and their leaders have a vision of the future and make explicit what they do not want, thus setting out a course. The management team of the Metropolitan Police makes clear that they do not want to work in a police force that is unsafe and where people who are different to the standard end up quitting the force. Management of Dutch Railways is concrete in their statement that they do not want to use the court enterprise division to resolve disputes with the works council or unions. The manager at Philips Recruitment is clear in her stance that she will not accept low appreciation from customers.

Cultural change is not just about providing space for renewal from the bottom up. Leaders in cultural change are explicit about the value level and are able to translate this into behaviour that is no longer acceptable. They know examples of what they can call unacceptable behaviour. They are authoritarian on value level and provide space on operational level for coming up with solutions. Managing is giving direction, naming what is definitely not allowed and asking for solutions. What leaders in cultural change do not do is prescribe how people have to act. They do not tread on the autonomy of professionals and they are not tempted to define work processes on operational level. They do enter into discussion to investigate the work practices that are effective and to show interest in the progress and results achieved.

Leaders in cultural change use their position of power to bring the issue of value damage up for discussion. That means:

- Knowing what they definitely do not want, which they can express on value level and substantiate with concrete examples.

- Bearing the inconvenience that arises in the relationship with others when what the leaders definitely do not want is expressed explicitly and they are asked how things should be.
- Making instances of value damage visible and measurable by linking a verifiable objective to them.
- Not interfering in the autonomy of professionals and not defining work processes on operational level.

Changing Players and Roles

The current members of the management team of the Information Management department at Albert Heijn are having trouble dealing with changes in strategy, structure and culture. They do not take enough initiative. The department director decides to replace the management team. “We had trouble with the fact that the managers did not want to change and get into a situation of instability because they had been chosen to keep the systems running.” He appoints a new manager who is frequently in contact with different interested parties, both inside and outside the company. This manager takes care of the outward appearance that the department wants to have and he puts together a new management team (MT). “Many careers were built here, because you were better at running the system than your subordinates. What you always get with change is that it is perceived as a disqualification of the past, but it is about a qualification for the future: how do we give shape to the next phase of customer orientation. Of course we owe a lot to the present crew. We took more people from the business who look at things from a user perspective. Not the specialty, but the retail heart is what counts.”

Using power to change players is not a dominant change approach in the businesses in this book. It is only when the change process gets bogged down and no alternatives are available that measures are taken and players changed. In organizations working on cultural change, it is striking that often new leaders are the ones who take the initiative. This is the case at KPN, Dutch Railways, Olijslager and Quadrant and the Human Resources department of Philips. The new leaders are not part of the existing culture,

they introduce new perspectives and they can pose questions about the basic assumptions that people in the organization consider self-evident and of which they are not aware.

Introducing new players and changing players can help to break through paralysis in the interplay between the players. Often managers have contributed to the formation of the existing culture and they come to identify themselves with this culture. They are the builders, carriers and watchmen of the existing culture. Managers learn to live with the existing working methods and relationships. The mutual collaboration comprises implicit opinions that are shared by members of the same management team. That makes it difficult to change how you view your own role and it is difficult to bring up the shared opinions for discussion in a group. Changing cultural values and standards means uncertainty, loss of identity and fear. The culture is also connected to the structure of the organization. Changes to strategy, structure and culture go hand in hand. A change of structure means that your own role and position are also at stake. A fixation on the personal level is often revealed in the conflict between words and actual behaviour. Fixations on a group level are visible when the mutual cooperation is experienced as self-evident and entrenched patterns are no longer up for discussion. If these fixations occur on a personal or group level, little more can be done than to change the players. One danger in changing players is that the fear of dismissal grows and the people who feel threatened form a coalition and make every effort to force the leader implementing the change of players to conform and adapt to the prevailing values and standards. This is a reason to change players only very occasionally.

Changing players can be considered as a strategy for cultural change if

- the present managers identify excessively with the existing culture, so that they act mainly as watchmen of that culture,
- the mutual cooperation has become so self-evident that patterns of collaboration are no longer discussable,
- the gap between what leaders say and what they show through their daily behaviour has become too wide and
- new perspectives and experiences are needed to break through rigidity.

Playing with Time, Space and Rhythm

Dealing consciously with time is a basic principle of successful cultural change. You need time to change an organizational culture. Changing underlying values and work practices requires years of attention from people in the organization. This chapter is about playing with time and rhythm, playing with peace and space and providing a direction and space as ingredients for successful cultural change.

Playing with Time and Rhythm

Randstad is the second largest HR services provider in the world. Randstad also operates under the brand name Tempo-Team. The core values of Tempo-Team are “committed, inventive and decisive.” Every day, 1,800 Tempo-Team employees are available for clients and 35,000 flex workers. At Tempo-Team, they take the time for a continuous process of cultural development. If at any time it appears that regional control of customer segments is not working, Tempo-Team quickly reverses the decision. Managers take the time to investigate how the customer orientation can improve regionally. Tempo-Team follows the changes continually to check whether the changes are on course and whether the goals and approaches are realistic.

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If necessary, Tempo-Team makes adjustments. When Tempo-Team and Vedor are integrated, the change process is accelerated. The customers of Vedor are informed quickly and meticulously about what the merger will mean for them. Staff is quickly given clarity about the consequences of the integration for them. The organization sets up a separate project to integrate technical, financial and personnel systems at great speed. This swift change of systems creates time and space for teams to form. Speed is an important factor of success in the integration. Limiting the period of uncertainty for customers, flex workers and employees is crucial. At the same time, it is highly important to keep employees inspired and enthusiastic. This is successful because Tempo-Team takes the time for teams to form and examines especially how Vedor and Tempo-Team can strengthen each other. Playing with time and rhythm ensures that no customers and turnover are lost.

The companies that achieve success in cultural change do not choose a strictly phased and planned change approach. The merger of KLM and Air France did not stick to one specific speed of integration. In contrast with the fast integration in freight traffic, a gradual strategy was chosen for the passenger traffic. KPN stakes everything on averting liquidation. There is no time to be lost. Once things are in order again, they take the time to improve the quality of their service. Olijslager decides on a swift and decisive approach to get the business processes into order, then takes time to expand its service further and subsequently speeds up again when the economic crisis affects the painting sector.

Leaders in cultural change take the time for change from the knowledge that you need time to change values, standards and basic assumptions. However, in crisis situations, they are able to accelerate and act boldly and subsequently slow down again if changes to forms of conduct, working methods and the underlying values and standards are concerned. They make good time if the service to the customer is under pressure and take a breather to learn from things when they are going well. They also make good time in the integration of technical and personnel systems, while taking more time to integrate working methods and for team formation. The choice to accelerate or slow down involves the object of change and the context of the change. Coping consciously

with time as an ingredient of the change approach is a success factor for cultural change.

Playing with time and rhythm means that

- time is taken for a change of strategy, structure and culture and if a continuous process of cultural development is concerned,
- things are accelerated if results come under pressure or if there is a crisis,
- if the object of change is of a technical or instrumental nature, a project-based approach is chosen and change is steered according to time, finances, people and resources and
- if a merger or integration of activities is concerned, playing with time and rhythm is essential to retain the confidence of customers and employees.

Reflecting and Learning

Amazon learns from every strategic step they take. They experiment, reflect and learn continuously. One example is the auction business that Amazon started and that failed to be successful. Jeff Bezos reflects on this strategic initiative and describes how it swung around and bore fruit in another form: “We make it really, really easy to buy things. Our customers who are buyers are very convenience-motivated. We’re efficient for people with our one click strategy. If you’re a customer who wants that kind of quick service, you do not want to wait till an auction closes. An auction is more about playing a game. There’s some fun involved. You’re not necessarily just trying to get the job done. It’s a different kind of thing and a different customer segment. That episode is actually one of the highlights of our corporate history—one that I tell over and over internally, because it bears witness to persistence and relentlessness. The basic thought was: Look, we have this website where we sell things, and we want to have a vast selection. One of the ways to get that vast selection is to invite other sellers, third parties, onto our website to participate alongside us, and turn it into a win-win situation. So we did auctions, but we didn’t like the results. Next we

created zShops, which was fixed-price selling but still parked those third parties in separate parts of the store. If a third-party seller had a used copy of *a book* to sell, it would have its own detail page, rather than having its availability listed right next to the new book. We still didn't like the results we got. It was when we went to the single-detail-page model that our third-party business really took off. Now, if we're offering a certain digital camera and you're a seller with the same camera to sell, you can go right on our own detail page, right next to our product, and underbid us. And if you do, we will put you in the 'buy' box, which is on that page. We learned that the third-party sellers were equally important customers. It took a little while for the organization to learn what their needs were and how we could best meet them."

Amazon is a learning organization in the way it performs strategy and in which people become better and better at achieving what they have in mind. 3M has also raised reflecting and learning to a strategic principle. InAxis convenes learning sessions with partners in a network so as to learn from each other and stimulate each other. The Metropolitan Police organizes a learning trajectory to boost diversity in the police force. This large-scale project uses the strength and experiences that are already present in the police force. At Youth Format, specific work studios are arranged for people who take the initiative to work on innovative youth care. They look back on their experiences and share them with each other so they can learn from them.

Reflecting and learning are based on experiential learning as a process of making meaning from direct experience.¹ The idea behind experiential learning is that the heart of all learning lies in the way we process experience and, in particular, our critical reflection of experience. Experiential learning can be seen as a cycle that begins with experience, continues with reflection and later leads to action, which itself becomes a concrete experience for reflection. It is vital that the individuals and learning teams are encouraged to involve themselves directly in the experience so they gain a better understanding of the new knowledge and retain the information for a longer time. Experiential learning requires qualities such as self-initiative and self-evaluation. For experiential learning to be truly effective, it should employ the whole learning cycle, from experimenting and

observing to reviewing the experiences, conceptualization of what can be learned from these experiences, action planning and active experimentation leading to new concrete experiences and observations.² This complete process allows individuals and teams to learn new skills, new attitudes or even entirely new ways of thinking. In order to reflect and learn from it, it is essential that people in a learning group trust each other, complement each other's strong points and compensate the weaker points.

Principles for giving shape to a reflective learning environment are as follows:^{3,4,5}

- Reflective learning processes are linked to core issues which are important for the viability of organizations.
- Learning processes take place on the basis of the organization's own history, desirable futures and the existing business idea.
- Participants in reflective learning processes reflect the internal variety of the organization as closely as possible.
- Participants make their thoughts and values explicit in order to be able to communicate with other participants and create a mutual meaning of events and desirable futures.
- Viable learning spaces are created and supported by insight into the strategy and the effectiveness of the organization and the freedom to raise this for discussion.
- Participants have the opportunity to form their own opinion on the degree to which the system is able to make present and future variety manageable.
- During the learning processes, the design and working methods for learning can themselves become topics for discussion. The design is intended to build increasing scope during the process for the commitment of the participants themselves.
- Habitual interaction patterns and solidified meanings are visible in the way participants interact. Time is taken to reflect on these patterns and evaluate how effective they have proved.
- New concepts and third party perspectives offer opportunities to see reality differently and shed light on other assets. This can enable participants to reframe their own behaviour.
- Facilitators attempt to keep the reflective learning process of meaning creation open for all participants and contribute to relational trust and quality.

Creating Peace and Quiet

The commissioners of the Metropolitan Police want to increase attention to diversity in the corps. A group of pioneering people finds each other. They choose a learning strategy and start a course for all managers in the force. When emotions run high early on in the course, the corps management has the courage to stick imperturbably to their own principles and the basic assumptions of the course. The opinions of the managers in the course vary greatly, from full recognition of the diversity issue through to total denial. Many managers find it difficult to bring their own behaviour up for discussion. There is a stream of criticism about the learning process in the initial phase. Actually nothing is good, except that some of the participants think it is good to work on diversity. Despite the storm of criticism, the corps management remains calm. They understand that strong emotions are part of it when deeply rooted values about uniformity and equality are brought up for discussion. Once the phase of denial has passed, energy is released to discuss the safety and diversity in the police force. The commotion disappears as soon as managers see the possibilities in the change strategy and start working on what they think is important.

At Albert Heijn too, managers take a moment to discuss the emotions surrounding the financial disaster with each other and they invest in getting to know each other personally. At Dutch Railways, the emotions about the restriction in employee rosters for running trains run so high that they result in strike actions. The new board takes the time to work on trust and repair the labour relations. In youth care, health care and care of the disabled, human suffering often seems to be the issue. Peace and space to discuss drastic events are essential for giving meaning to values concerning human dignity.

A certain imperturbability is needed if the undiscussable is made discussable and self-evident truths are brought up for discussion. This is definitely the case if the people involved get the idea that they did not do well in the past. There is a significant risk that situations are covered up and the ranks closed. Sometimes, time has to do its work.^{6,7} This is especially pertinent when deep changes in cultural values are concerned and basic

assumptions are questioned. Cultural changes can be an experience of shock for people who are directly involved. Leaders in cultural change are not deterred by this but take the emotions seriously and they spend time and attention on making those emotions discussable and developing new values. They are imperturbable and have the peace to embed the change in work practices and underlying values. That means that they choose a step-by-step change strategy in which they continuously check whether they need to adjust the change or continue on the same course.

Playing with peace and space has consequences for how change managers act:

- Change managers realize that deep change goes hand in hand with emotions. These emotions are often expressed first as denial, then anger followed by a critical waiting attitude. Subsequently, everything is done to preserve the old ways. Only after that does new energy come about for giving shape to the new culture.
- Change managers choose peace and a certain degree of imperturbability in the knowledge that emotions are part and parcel of it.
- They start activities to make it possible to discuss the emotions. Often, the emotions are a reflection of cultural elements that are being left behind.
- Together with others, they develop new values and behavioural practices for the values that no longer have any value. Using rites and rituals can help in this.

Offering Guidance and Space

At Youth Format, management guides a process of renewal by collecting positive and negative examples from the daily youth services. Management uses these examples to make explicit that they want to work on exemplary youth care that focuses on the needs of the child. They call on care providers to take the initiative to do things differently in the youth care. Twelve professionals come forward who get to work with a concrete case and take the needs of the child as starting point, without allowing themselves to be hindered by procedures, red tape or financial flows. The professionals get to work energetically

with the space they have obtained. There is also space to enter into collaboration with partner organizations if that is desirable for good welfare services. Only sketching the direction in broad outline and providing space for professionals turns out not to be enough. Support and direction in the execution of the experiments are also important. Management creates this direction by being the discussion partner for the professionals, staying in contact with the managers and by making contact with partner organizations. They work together with the professionals on renewal, make the results visible and promote the positive results as examples of exemplary youth care.

In the example of Youth Format, professionals are given the space to interpret renewal independently. Within that space, management stimulates and supports initiatives. The space is filled out more and more in the dialogue between management and professionals. Offering space for renewal is also important at Quadrant, where the professionals search for different methods of working when it is no longer possible to isolate residents. The conductors and train drivers at Dutch Railways experiment with independent regional rail routes in which they work together as teams and display entrepreneurship. InAxis offers space for experimenting with renewal in public administration and reduces the risk by providing subsidies in the shape of risk capital.

Mobilizing the passion of the professional to work on renewal can be a strong basis for cultural change. Articulating a vision and formulating ambitions set out a direction. Getting to work on experiments that fit within the vision and the ambitions offers space. This is sanctioned space in which experiments are possible. If you provide space, you are entitled to ask for results. That is why leaders in cultural change ask for results. Together with the professionals, they discuss the progress and results so they can learn from them and inspire others by making successes visible. Direction, space and result form a trinity in processes of renewal that lead to patterns of cooperation changing and values becoming visible. In the next part, I will describe how leaders in cultural change can play with direction and space in more detail.

In giving direction, offering space and asking for results,

- the direction consists of a vision of the future and of shared ambitions that guide how professionals act,

- the direction gains increasingly more shape through the teamwork of management, managers and professionals as the progress is monitored and experiences are exchanged,
- a sanctioned space is concerned in which professionals experiment with new methods of working and new forms of collaboration,
- the more the experiments contribute to the vision and the shared ambitions, the more space is offered and
- leaders ask for results so they can justify themselves towards others and can promote successes.

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Conclusions on Strategies for Cultural Change

In this part, I described the basic principles and ingredients of the approach to cultural change in organizations.

Basic Principles for Cultural Change

A successful approach to cultural change in organizations has six basic principles:

- Generate energy for change,
- Envisage a future and formulate a vision,
- Form a leading coalition and stimulate interaction,
- Put the customer in first place and simplify business processes,
- Combine upwards and downwards renewal and
- Play with direction, peace and space.

These six basic principles can be encountered in the nineteen businesses studied that change their organizational culture successfully and improve their service. The basic principles are the conditions of successful cultural change. Disregarding the basic principles leads to almost certain failure of the change. These six basic principles have several ingredients. The ingredients are part of the change approach and help to come to a well-considered approach for cultural change in organizations. A suitable change approach can be composed from these ingredients. Each time, the skill is in choosing

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a change approach from the basic principles and with the ingredients that match the reason for the cultural change, the situation the organization is in and the ambitions for the future.

No Single Best Way of Changing an Organizational Culture

There is no best method of change. Copying a strategy that was successful for other companies almost certainly results in a disaster. Every time, it involves making conscious decisions about how to set up the change process. And yet there are similarities in change approaches. In all cases, attention is focused on creating added value for customers. The change process is always linked to customer processes and the business idea. The ambition is leading. The point is to qualify for the future and not to disqualify the past, using the strength from the past to get the change to succeed. Points of attention to consider in setting up the change process are:

- Degree of urgency and necessity of changing,
- Pressure from shareholders, politics and media,
- Degree to which employees trust management,
- Power distance between management and operational staff,
- The level of change and the motive for the changes,
- The unmanageability of the technical and financial systems,
- The quality of management,
- Positive and negative experiences with previous change processes,
- Knowledge and skills to design changes and supervise them,
- The willingness of leaders in cultural change to use power and give space.

The conclusions to Part 1 already stated that change starts with standing still. This not only means finding out the reason for the change and understanding the existing organizational culture but also thinking through a suitable change approach.

Not Every Change Approach is Effective

Theories about organizational change have described a number of strategies for change.¹ In Table 10.1, I use these theories as the basis for describing six approaches for cultural change.

Table 10.1 Approaches for cultural change in organizations.

<i>Power strategy</i>	<i>Planned strategy</i>	<i>Negotiating strategy</i>	<i>Development strategy</i>	<i>Learning strategy</i>	<i>Transformational strategy</i>
Forcing	Pushing	Exchanging	Developing	Learning	Discovering
Steering by top	Initiated by top	Multiple actors	Transformative	Active and reflective	Active and interactive
Goal oriented	Solution oriented	Result oriented	Problem oriented	Transition oriented	Future oriented
Position power	Expert power	Position power	Informal power	Seductive power	Visioning power
Input controllers	Input experts	Different coalitions	Input employees	Input learning teams	Collaboration
Linear process	Linear process	Iterative process	Iterative process	Cyclic process	Cyclic process
Pressure	Rational persuasion	Negotiation	Participation	Action learning	Dialoguing
Telling and selling	Convincing	Compromising	Guiding and coaching	Facilitation	Mutual interaction

In the *power strategy*, top managers create urgency from the threats from the environment to get people into action. The idea is that people are cautious and only want to change under external pressure. From the perspective of this concept, conflicts and resistance to change are unavoidable and have to be overcome through the use of power. Top managers determine the goals and delegate the implementation to middle managers. There is a tight time planning within which the proposed goals have to be achieved. Controllers monitor whether goals are reached and top managers intervene if that is not the case. Desired behaviour is rewarded and behaviour that is not appropriate to the new values and standards is punished. A more subtle way of exercising power is to formulate clearly which work practices are no longer tolerated. Power is also used to break through existing practices and to create space for developing alternative work practices.

The essence of the approach with the *planned strategy* is that managers try to predict developments in the environment and anticipate them. Here, the idea is that people will always choose the most logical solution. The task is to convince people what the best solution is. After the environment is analyzed, management develops a business strategy together with experts. They formulate objectives and implement changes. Experts and advisors have an important role in the problem analysis and the formulation of the desired situation. In the planned approach, managers sometimes use large-scale cultural programmes whose aim is to change the behaviour of people in the organization. Programmes aimed solely at behavioural change seldom result in a change to the organizational culture and are usually a waste of energy.

The *negotiating strategy* concerns parties with different interests and wishes who need each other to realize their wishes. The idea is that people focus mainly on their own interest but that they take others into consideration if there is a need to collaborate. Personal interest motivates people to change if that serves their own interests. This strategy is about making force fields visible, articulating one's own advantage and exchanging interests. This approach can be meaningful when there are conflicting interests and socio-political stagnation, especially to create favourable conditions for the change or to realize a cultural change.

The idea in the *development strategy* is that people have enough possibilities within themselves to change as long as there is a good director who can get the best out of them. Creating a safe context and offering clear structures reduces uncertainty and forms a foundation for change. In this participative change approach, the initiators listen to the people who are involved in the change and use their advice. The problem-solving capabilities of the people involved are appealed to in the change process. Changes are realized

gradually and step by step, and organization members are involved in all phases of the change. Usually, the change is initiated and supported by top management. In this change strategy, people who are directly involved work together in the organization to realize the desired change. During the change process, behavioural science principles and practices are used to increase individual and organizational effectiveness. This change strategy leads to commitment and support for change. This approach is often chosen in businesses if a cultural change is concerned and usually with success.

The idea behind the *learning strategy* is that people act on the basis of assumptions, emotions, feelings and almost unconscious patterns. Making people aware of these assumptions and patterns and making it possible to discuss the feelings create space for learning processes in which people change their behaviour. Action learning is often used in which learning processes aim at discovering obstructive emotions and blocking patterns. Facilitators focus on re-education of committed people involved in a collective learning process. The underlying idea is that learning takes place in a cyclical process in which concrete experiences are followed by reflective observation of these experiences. These reflections are then analyzed and incorporated in new concepts and frames of reality. It is about mental clearing of limiting beliefs and the creation of new images of reality. Organizations that work successfully on cultural change almost always pay attention to opening basic assumptions and obstructive patterns up for discussion. Successful cultural change also almost always pays attention to learning processes. This strategy is helpful in initiating and anchoring cultural changes, but the approach is rarely used on its own and is always combined with other change strategies.

In the *transformational strategy*, people exchange perspectives on organizing, changing and innovating. They experiment and get innovations going that go beyond their own organization. The idea behind this strategy is that reality is not objective but is anchored in the minds and hearts of people. These subjective images and definitions of reality change continuously through interaction and sense-making. If this view of reality is linked with a future ideal, energy is created and people get moving; that is the idea. It concerns multiple examination of problems, exposing interpretations and stimulating interactions to produce a number of possibilities for solutions. In this approach, there is space for dialogue that makes room for multiple voices and innovative initiatives. Interacting, acting, reflecting and learning are inseparable during the change process. Meanings and basic assumptions become visible and joint alternative actions are initiated which lead to a process of discovering new futures and destinies. This strategy is often chosen by businesses that are working on successful cultural change.

Step-by-step Change Useful for Cultural Change

The first three approaches to organizational change in Table 10.1 result in a limited capacity for change. Political behaviour in the organization will increase and the staff will have a sceptical attitude and play a waiting game. The chance of successful change is small and there is only low capacity to realize changes on one's own. These approaches are sometimes used to initiate a cultural change or force breakthroughs but always in combination with other approaches.

The last three approaches for change are often used in businesses that successfully change their culture. The developmental change approach has a greater chance of success than the planned approach because it provides space for personal input and attention is paid to realizing commitment and support for the change. The learning approach is helpful to understand existing cultural patterns and to experiment with new behaviour. In most cases, the transformational approach results in measurable positive effects for customers, faster development of new products, better business and staff key indicators and greater satisfaction of employees with the change. The people in the organization learn to give shape to change processes on their own. It is striking that the companies that work on successful cultural change predominantly choose a developmental, learning and transformational change strategy.

Building a Vital Coalition

Cultural change comes down to forming vital coalitions with people who dare to stick their necks out and take the initiative. Changing the identity and underlying values of a business is not a simple job and too large for a leader or initiator to tackle on their own. Successful cultural change requires a joint effort of people who are capable of realizing change. It is essential to form a coalition of people inside and outside the organization who support the change and want to give shape to it. People who know the work processes and are willing to change. They set the example themselves and can be approached about that. They are not the followers. They are critical, committed people with their heart in the business and passion for the customer. People in a vital coalition come from different backgrounds and have different areas of expertise. They value each other in that difference because they complement each other.

Change Based on Own Qualities Without Consultants

Leaders in cultural change often choose a step-by-step change approach that involves employees from all levels in the change. A tightly planned, top-down change approach is rarely chosen. The main thing is step-by-step and interactive changes with input from the people involved and a restrained use of power. The step-by-step approach means that the leaders in cultural change monitor the progress closely and there are opportunities for adjustment. There is some steering from the top of the organization, but that control is not imperative unless matters seriously need to be put in order. External consultants provide only minimal input to the change processes. Sometimes they are called in as expert in the analysis and redesign of the business processes, sometimes they are invited to sharpen up the story and sometimes to observe critically. The businesses all choose to design the cultural changes themselves. A good analogy for changing an organizational culture successfully is getting people together who want to work on building a bridge – while they are walking over it.

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