Part 5

Successful Cultural Change
in Organizations

Introduction

Essence of this Part

We come to the end of this journey through the fascinating world of organizational cultures and ways to change these cultures. Cultural change in organizations is an adventurous journey in itself, which needs people who are willing to take advantage, prepared to collaborate and ready to change and take the lead. Changing organizational cultures is like an expedition through an uncertain landscape, through contested terrain. You know your point of departure and put energy in erecting your base camp. You have an idea about the route to take and you are ready to make adjustments in this route given weather conditions and climate change. You have carefully composed your equipment and selected your team members. The team is vital with different people with distinctive competences you need during the hike. The team members are fit and well trained. During the expedition you are aware of the environment, changing circumstances, climate changes and the conditions of the team members. You know it will be a long journey that has to be taken step by step. And you know, a destination is never a place, but rather a new way of looking at things.

Structure of this Part

This concluding part consists of two chapters. There are many possible routes to take when initiators and leaders decide to challenge and change organizational cultures. This final part helps leaders in cultural change to choose their way in successful organizational change.

The first chapter in this part focuses on trajectories for cultural change in organizations based on eight different routes. These routes may be combined in a coherent journey to create new business ideas and contribute to the success of organizations. The routes in this chapter characterize the paths followed by successful leaders in cultural change together with people in their organization. Each of the routes for change focuses on five questions: The reasons for change, the ambitions of the change process, the modifications that are necessary, the most appropriate change strategy and related intervention mix, and the people who are involved. A deliberate choice for a change strategy and a clear perspective of the routes for change contributes to the success of changes.

The final chapter of this book brings together the essentials of cultural change and leadership in organizations. If you want to be a successful leader in cultural change, don't call it cultural change. Leaders in cultural change do not talk about cultural change but take the initiative to realize ambitions together with others in and around the organization. Their focus is on the desirable future, the business idea and customer value. They qualify for the future and never disqualify the past. They start a change process combining different perspectives and involving many other people around them. The change strategy and intervention mix is deliberately chosen, progress is made visible and successes are shared. In this final chapter, guiding principles and success factors for cultural change are summarized which are helpful to be a successful leader in cultural change in organizations.

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Trajectories for Cultural Change

Cultural change in organizations is about an active and continuous process in which people form the identity of an organization together in the way they work and live together. Leaders in cultural change do not talk about a cultural change. They take the initiative and set to work. Through their initiatives, the way people work together changes as do their interactions with customers. This also makes the business idea and identity of the organization change. In this chapter, I will describe eight routes that leaders in cultural change can follow.

Routes for Cultural Change

There are no standard step-by-step plans for realizing cultural changes. Changes that affect the business idea and the identity of organizations must be tackled in a well-considered way. The study on which this book is based brings up eight routes for cultural change. These routes have specific reasons as the starting point and an ambition for the future as the goal. The routes are useful for choosing and making explicit your own route for cultural change (Figure 24.1).

The eight routes for cultural change do not stand on their own. In crisis situations or if the legitimacy is under pressure, leaders first get the business back into order. After that, they can take the initiative so the organization can qualify for the future. In the case of international expansion, it is
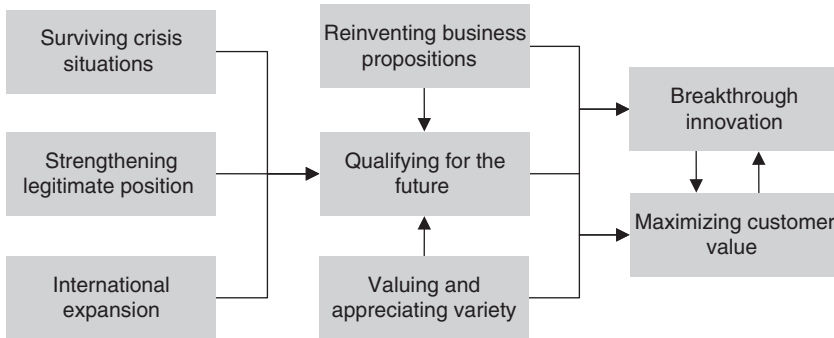
Figure 24.1 Eight routes for cultural change.

relevant to have the financial and legal structures well organized first. International expansion offers a foundation for qualifying for the future. Companies that qualify for the future use new structures and systems to improve their service. Professionals in staff departments contribute as part-ners to the daily business processes and make an effort to achieve business results and increase customer value. Making work of diversity can help in being attractive in the future as well for customers and young talent. Strengthening innovative power is a shared ambition in all the companies studied, while increasing customer value is a generic motive.

The routes characterize the path followed by the leaders in cultural change with the people in their organization. Each of the routes for change focuses on five questions (Table 24.1).

The following sections describe the eight routes for change. In each route description, I give an answer to each of the five questions for change. I also list a few success factors for each route.

Surviving Crisis Situations

How can companies safeguard their continued existence and make use of a crisis to come out of it even stronger? If a company is confronted with a crisis, there is no time to start a cultural trajectory. Priority is given to actions to secure the continued existence. This often means looking for trust from financial backers and organizing bridging loans or additional financial resources. Decisions have to be made and only top management can make them. There is a possibility that they have to stop business operations and

Table 24.1 Five questions for change.

Why change?	This concerns the reason for changing. That reason happens in the present day. The answer shows what makes it necessary, desirable or meaningful to change.
What for?	This is about the ambitions and the direction of the change. The ambitions are for the future. The answer shows what has to happen or what the organization is aiming for.
Change what?	This concerns the modifications that are necessary or desirable in the organization. They are effected in the here and now. The answer shows what has to happen to reach the desired situation.
Change how?	This is about the strategy and the setup of the change process. It concerns the route from today to the future. The answer shows the way the control and realization take place, the time period and the interventions.
Change who?	This is about the people who are involved, about their perception of the current situation and their ambitions for the future. The answer shows who take the initiatives and who plays which role.

that jobs will be lost. A sharp analysis has to be made of what went wrong and which interventions are necessary. Top managers and superiors advance together in their survival trek. Experts and external advisors may help during the trek in analyzing and assessing the final implications of the business model. The crisis results in a culture shock. Everyone realizes that decisions have to be made and that change is inevitable. In the first period, it is about short-term actions for improvement of the financial situation. Simply reorganizing is not an option. Survival requires more than that. In the long run, only value creation for customers contributes to profitability and shareholder value. This requires a new future vision and clear positioning. The key to success is reducing costs and strengthening the quality of the service. Managers have a strict role in working out a new strategy and a new structure. Top managers use their position of power and choose a planned change strategy to make space for renewal of the service. Systems are put in order and attention is paid to cooperation and craftsmanship. The change strategy shifts to a gradual approach in which top management invites everyone to participate in the improvement of the service. A new vitality comes about and people regain confidence in the future. Through the change of strategy and structure and also through the cultural shock, a new culture arises,

consisting partly of the experiences with the crisis. The company switches to a new phase in which it qualifies for the future.

An important success factor for survival in times of crisis is an honest story from the top managers of how the situation is, what the future holds and which actions are needed to achieve that future. They set to work energetically to secure the financial position for the short and long terms. They do not panic and they form a leading coalition for the change. The leaders in change list the problems, analyze the current situation, save costs and formulate a new vision. They give a new interpretation of the business idea of the company and give middle managers strict activities. From the new vision and business idea, they set out a strategy, invest in the quality of the service, change structures, renew systems and introduce new values. They involve middle managers and employees in changing the cultural values (Table 24.2).

Strengthening Legitimate Position

How can organizations strengthen their legitimate position and make their social contribution clear if the legitimacy is called into question? Directors and leaders in change use the external pressure and the criticism from society as an opportunity for improvement and renewal. The criticism is usually directed at the quality of the service, the treatment of customers and the external cooperation. The focus is on creating social added value and improving the service. The directors make decisions about which activities are essential to strengthen the legitimacy and they decide which activities to stop or transfer elsewhere. The essence of the service is the subject of discussion at all levels in the organization. The outside world is invited to give its vision and think along about the improvements that are required. The leaders stay calm and are imperturbable when tensions run high. They dialogue and keep on talking and listening. They form a change team that implements the changes and renewals. This team involves managers and employees in the change process. If necessary, the team changes structures and systems and examines forms of conduct in more detail. The members of the change team monitor the change continuously and make adjustments if necessary. They choose a gradual and participative change strategy to gather information about forms of conduct. Principles of service are given shape and are shared by all people in the organization. In a gradual and interactive change approach, managers and employees discuss the underlying values and entrenched patterns that guide the behaviour. They

Table 24.2 Surviving crisis situations.

Why change?	Financial crisis that threatens the continued existence of the company. Extra resources are needed urgently and things have to be sorted out. It is not enough just to reorganize. A new and appealing vision of the future is also required.
What for?	A financially healthy company that knows what it stands by and goes for. A motivating and feasible future perspective. Value creation for customers comes first. Craftsmanship is revalued. People can be proud of their company again.
Change what?	Firstly, safeguard the financial position by attracting financial guarantees. Modify costs structures by hiving off business operations and reducing the number of jobs. After the reorganization and a change of strategy and structure, there is time and attention for cultural change. The experiences with the crisis give rise to new patterns of cooperation and different labour relations, and people develop new values and forms of conduct. The company finds its identity back again and the reason for existence.
Change how?	First of all, get the business back into order with a power strategy that makes it clear what the position of the company is and which actions are being taken. Meaningful interventions are used in this phase. Then a planned change strategy is used to modify structures and systems. Structural and instrumental interventions are used for this. This is followed by a gradual approach in which everyone participates and learning experiences are distributed. New behaviour arises, supported by interactive interventions.
Change who?	At the beginning, top management takes charge and tells honestly what the state of affairs is. They imagine the future. Together with middle management and external advisors, they change structures and systems. Subsequently, there is a choice to change under one's own steam, with a pioneering role for middle management, support from the Works Council, input from professional staff services and participation from employees.

exchange values that they feel are important. These values are given concrete interpretation in learning trajectories. Managers and employees gradually develop new service concepts and forms of conduct. They achieve concrete results in the service and thus recover their social legitimacy.

Table 24.3   Strengthening legitimate position.

Why change?	Criticism from citizens, customers, interest groups and civil society organizations about how the organization is functioning. External pressure to get things in order and improve the service.
What for?	Strengthen social legitimacy by improving the functioning. Transparent service with high quality and attention to customers. Ready to innovate and collaborate with chain partners and partner organizations.
Change what?	Improvement of the service process is the focal point. The quality of the service is redefined and redesigned. This means a change to structures, patterns of cooperation and support systems. Attention is also paid to the attitude of employees towards customers. Craftsmanship is valued.
Change how?	Start with analyzing the problems and assessing the level of change. Well-considered setup of change process to tackle the most evident problem areas. Planned change strategy is used to renew support systems. Gradual approach to identify and improve service processes. Negotiations by top managers with external parties to reduce the external pressure. Gradual change approach with a developmental change strategy in which all employees participate in the improvement of the service. This involves a great deal of attention to building trust and use of interactive interventions.
Change who?	Everyone changes. The initiative is with the directors and initiators who experience the external pressure. Together they form a vital coalition to design the changes. Directors, managers, staff specialists and employees work together in a project organization for short-term improvements. For medium- to long-term changes, they work together in vital coalitions to realize long-term improvements. The Works Council supports the change process and people from outside observe.

An important success factor for the change is analyzing the situation and formulating a new vision of the future. Directors take the initiative to form a leading coalition. The people in this coalition set to work energetically. They analyze the current situation and work together on renewal of the service, the underlying cooperation and the cultural values. They emphasize their unique strength and look for new possibilities. They save costs and choose for decentralized control of the service. They profile their strong points and continue to innovate (Table 24.3).

International Expansion

Crisis situations and legitimacy problems are the reasons from outside to get things in order. The ambition to expand internationally comes from the inside. It is an expression of entrepreneurship and a desire to reinforce the market position. Top managers see opportunities and take the initiative to realize the ambition together with a group of confidants. They explore possibilities, imagine the future and set out a course. They choose for international mergers or takeovers or they decide to enter a foreign market on their own. Their objective is to achieve synergy and make headway abroad. With a stronger market position and broader knowledge base, they can offer customers better service. The ownership ratios change and the top structure changes. The institutional basis and the financial reporting are redesigned. A search process starts into possibilities of synergy and building a strong knowledge infrastructure. The change process pays attention to the cultural differences between countries and has respect for cultural differences within the companies. There is awareness that the cultural differences can make the company more powerful by merging the best of two worlds. The aspiration is to give the change the character of a partnership between equivalent parties. The change process has a gradual approach with evenly matched input from both parties. To bridge cultural differences, management uses interactive interventions like cultural workshops, joint courses for management from both parties and exchange programmes for young, talented employees and knowledge workers. People build on mutual trust at all levels. The identity of the companies remains preserved in essence and changes at the same time through exchange and self-reflection. Management and employees make results visible and they celebrate successes.

A success factor of international cooperation is that the top managers have the same vision of the future of the company. Respect and fairness are essential fundamentals to make the international cooperation succeed. Displaying and expressing trust in each other is essential to arrive at cooperation. The top managers can control their egos and welcome the space and success for each other and others in management. A lot of attention is paid to getting to know each other's business identity and the idiosyncrasies of their own identity. Everyone participates in realizing the vision of the future in a gradual and participative change strategy (Table 24.4).

Table 24.4 International expansion.

Why change?	The ambition of management to make more of it. Search for new opportunities abroad to strengthen the market position and bundle knowledge and experience.
What for?	Build a powerful international organization that delivers competitive advantage and can offer customers a higher quality service.
Change what?	The ownership ratios, the international business strategy and the management structure. Financial reporting in order. Strengthen the knowledge infrastructure. Preservation of uniqueness on the local market. A lot of attention for cultural differences and bridging them.
Change how?	Transformational change strategy with developmental change strategy in the search process towards internationalization. A planned change strategy in the choice of an international partner, in order to change ownership ratios and redesign the provision of information and financial reporting. This includes structural interventions. In addition, a gradual and transformational change approach to combine strengths and use cultural differences and a learning strategy to learn from each other. This is followed by meaningful and interactive interventions with several learning interventions.
Change who?	The change is started at the top of the companies by top managers with a group of confidants. It quickly widens to management and the employees. Eventually, everyone participates in the change in searching for synergy and merging knowledge.

Qualifying for the Future

How can organizations qualify for the future? Companies that are successful in cultural change qualify through the innovation of their products, the renewal of systems and the optimization of work practices. Through the change of systems and work practices, the culture of the organization changes as a matter of course as well. Companies that have beaten a crisis and restored their legitimacy also choose this culture route. The companies that qualify for the future take as starting point the wishes and needs of their customers. The initiative often lies with managers and passionate employees. They see new opportunities to improve the service and prepare

the organization for the future. They seek support from top management to be able to work on renewing systems and work practices. They use information technology to serve customers better and faster. They introduce new products and adapt the internal work organization. Somewhere in the company there is a place where the renewal takes hold and where people gain experience with the new technology and working method. The initiators stick their necks out. They involve others in the renewal. People experiment and try things as much as they can. When they obtain results, they share their experiences and win others over to participate. Enthusiasm leads to a movement that results in a broad renewal of working methods, systems and forms of conduct. It is about a concept-driven change in which an attractive picture of the future ensures that the initiatives of the initiators take place with good coordination. The picture of the future gives meaning to all players and their activities and also indicates what the effects of the system changes and structural changes should be. The initiators choose a gradual and transformational change strategy in which they exchange pictures and experiences and transform them into deeds. Telling stories and sharing successes help to spread the changes. A developmental change strategy follows the transformational strategy of the initiators. The changes in systems and work practices are now introduced on a wide scale with the commitment of managers and employees. Change managers monitor the progress and stimulate the introduction. Courses and training sessions help to make the introduction a success.

One success factor in this culture route is the people who form a vital coalition and take the initiative. It is essential to have the support of top managers to make a broad change possible in structure, systems and work practices. Top managers give guidance and space. The initiators demonstrate transformational leadership. They emphasize continuity of the renewal and have confidence in the power of people who participate in the development process (Table 24.5).

Reinventing Business Propositions

How can specialists in personnel, organization, information and finance contribute to the success of the company? Top managers, business managers and specialists ask themselves and each other this question. Managers want the professionals to have a thorough knowledge of the business, a proactive attitude and support in difficult issues. They want

Table 24.5 Qualifying for the future.

Why change?	Respond to changing customer wishes and use the opportunities offered by new knowledge and new technology.
What for?	Ambition of a contemporary and customer-oriented organization with service concepts that anticipate changing customer needs.
Change what?	Fundamental change of the service concept. System changes and structural changes go hand in hand with changes to the work practice. The underlying values, standards and forms of conduct change automatically along with the other changes.
Change how?	Concept-driven change that starts with a challenging vision and small experiments and innovative practices. If the results are positive, a gradual and transformational change strategy is chosen to realize a system change and breakthrough innovations on a broader scale. A developmental approach contributes to the acceptance of new work practices. A learning strategy and the exchange of experiences and interactions between the people involved lead to new values and standards arising in the work practice which give guidance to acting. Through these interactions and a transformational strategy, the identity of the organization also changes and the business idea gains depth and colouring. Especially structural, meaningful and interactive interventions.
Change who?	Line managers, together with people from the professional staff, take the initiative and look for support from top management. They involve employees and the Works Council. Outsiders are invited to think along with them and contribute to the process of renewal.

the professionals to contribute demonstrably to the daily service. In the staff departments, leaders in change modify the internal structures, the support systems and the daily work practices. A new service model arises. The staff departments streamline their standard processes with the objective of generating error-free information and offering excellent support for a low cost every day. Standard tasks that have no distinctive features are outsourced. The professionals concentrate on supporting decisions in management teams with satisfactory analyses, professional knowledge, skilled inspirations and dynamism in the execution of

decisions. An unambiguous working method with clear stakes and an agreed result create clarity for the business managers. A small number of professionals work on the question of what they can contribute to healthy business operations in the future. The leaders of the staff departments take the initiative. They investigate the future and organize teamwork between directors, managers and specialists. Leaders and professionals who share their ambitions, complement each other and trust each other, form a team and tackle the changes. The change process has a gradual strategy with a clear ambition, with input from the professionals in the staff departments and business managers.

An important success factor in this culture route is the leaders of the staff departments who play a pioneering role and also bring others into the game. A sharp orientation on the future and a clear picture of the needs of business managers contribute to success. The changes are tackled integrally with a view to strategy, structure, systems, style of working, competences required and the underlying values. Values like simplicity, personal commitment, proactive acting and trust are involved. Informal contacts are important so that professionals know what the situation is and can act proactively. Attracting new people helps in breaking through existing habits. Finally, continual attention to the way people work is one of the success factors (Table 24.6).

Appreciating and Valuing Variety

How do organizations in our society cope with diversity and how do they remain attractive employers to work for? Today's society is made up of people from different cultural backgrounds, of different ages, experiences, expertise and opinions. This diversity has increased in the past years, and it will continue to increase in the coming years. A success factor for organizations in the future is how they can handle this variety. Are the people in organizations capable of handling a variety of customers? Are organizations attractive to people from different cultural backgrounds? Do young and highly educated talented people think the organization is attractive? Within organizations, it is possible to mobilize differences and thus create a new culture, inside and outside the organization. Organizations are junctions of influences. If they keep that in view and relate to what is happening outside the organization, this contributes to the development of a diversity of cultures in which people can collaborate

Table 24.6 Reinventing business propositions.

Why change?	Unsatisfactory contributions from staff services to the business results and the future of the company. An excessively large gap between staff specialists and the managers who are responsible for the daily business operations and the service to customers.
What for?	From the position of professional services, wanting to contribute to optimum business processes and a high quality of service to the ultimate customer of the company. The activities of professionals in staff services are part of the business.
Change what?	The support from professional staff services to the business managers by changing the strategy, structure, systems, style of working, competences required and the underlying values in the staff services.
Change how?	A decisive approach in the beginning, with meticulous teamwork between leaders of staff services, top managers, business managers and the professionals of the staff services. Once the course has been set and tasks outsourced, a gradual change process with a developmental change strategy ensues with input from business managers and professionals.
Change who?	Managers of the professional services start the change. Together with top managers, they choose a positioning and set out the course. Professionals in staff services change their working methods and their attitude with regard to business managers. Business managers learn how to be good in commissioning work.

and together develop further themselves. It is expected that the importance of this route will increase in the near future. That is a reason for giving this route specific attention.

Cultural values and standards are deeply anchored in individuals, definitely if they were already instilled during their upbringing. To get them to change requires pluck and perseverance. It takes courage to make a difference in organizations where unambiguity is the rule and people are not accustomed to deviating from standards. A condition of success is initiators who see the importance of diversity and cultural variety. Support from directors and top managers is a success factor. Calling people to account about their talent and providing space for it helps to really take action on diversity (Table 24.7).

Table 24.7 Appreciating and valuing variety.

Why change?	Society is becoming more coloured and people are getting older. Cultural differences are increasing. The need for organizations to cope with these differences in order to retain customers, prevent loss of knowledge and be attractive to young talent.
What for?	Make space for diversity and variety inside organizations by valuing difference and following a personnel policy that takes ageing and change of cultural values in and outside the organization into account.
Change what?	Leaders who value difference and create space for diversity. Pay attention to mutual relationships and forms of conduct so that colleagues and new people feel at home in the organization and can develop their talents.
Change how?	An interactive change approach with a transformational change strategy in which differences are visible and discussable and personal opinions are exchanged. Learning interventions bring people with different backgrounds and experiences together. They exchange experiences and points of view in workshops, discuss tensions between each other and look for a common denominator. Specific attention to managers as the bearers of the existing culture and bearers of the change.
Change who?	Leaders, managers, employees and professionals are all part of the change; they experience differences and look for the space for variety.

Breakthrough Innovation

How can organizations be continually innovative to keep their service up to standard? How can they use new technology to stay up to date? What can they do to inspire people with new knowledge? These questions are discussed in many organizations that are successful in cultural change. Innovation involves preserving the strength from the past and renewing from the current day. Innovation is needed to maintain the lead on competitors, improve the image of the authority and remain an attractive employer. Innovation is also needed to contribute to the solutions of social issues such as sustainability, health, mobility and safety. Renewal almost always happens on the edges of organizations, where there are relationships with the surroundings. Renewal needs a powerful network of people who want to

share knowledge and experiences and cooperate on renewal. Innovation managers bring people together who take the initiative. Financial backers provide risk capital and top managers support the initiative in the full realization of the risks. Collaborative arrangements and alliances are formed by companies that join forces. Innovative working methods are often at odds with the daily work processes, the existing systems and the customs in an organization. Routines are put under pressure during the innovation process. This makes working methods, systems, routines, competences and customer relations change. The relationships of cooperation and the underlying values and standards change as well. An innovation can change the identity of an organization completely and increase the business idea. The changes have an open approach with an interactive approach and a combination of developmental, learning and transformational change strategies in which people can experiment and learn from each other as much as possible. Failures are regarded as learning experiences that bring the innovation closer. The dissemination and acceptance of innovations are specific points for attention.

One condition of success for innovation is a vital coalition that takes the initiative and knows it is assured of the support of top managers and the directors. Space and resources for innovative initiatives are factors of success. A power network helps in combining knowledge and remaining innovative. Reflection and learning from experiments are essential to make progress. Specific attention to the dissemination and acceptance of innovations is required to achieve permanent successes (Table 24.8).

Maximizing Customer Value

How do organizations work on their customer orientation and ensure that customers stay with them? How do they increase their customer value? Customer orientation is a subject of discussion in many companies. It is widely understood that concentrating on customers contributes to success. Increasing customer orientation is easier said than done. The organizations in this book put a lot of effort into working in a customer-oriented way and they invest in increasing their customer value. The companies in a crisis situation realize that good service is essential to success in the long term. International expansion is not a goal in itself but a means to combine forces, reduce costs, improve the service and increase customer value. The companies that qualify for the future also focus on improving their service

Table 24.8 Breakthrough innovation.

Why change?	Respond to social issues and a changing environment. Use new knowledge and new technological developments.
What for?	Retain competitive position, strengthen legitimate position, improve service, qualify for the future, improve image and be an attractive employer.
Change what?	Change working methods, systems, routines, competences, products and customer relations. Relationships of cooperation and underlying values and standards change as well. New alliances and forms of cooperation arise. The identity of an organization can change through the innovation, and the business idea can also change.
Change how?	An open approach with a transformational change strategy in which people experiment and learn from this. Use external networks to combine knowledge and experiences. Combination of a developmental and learning strategy for change and intensive use of meaningful, interactive and learning interventions.
Change who?	Innovation managers take the initiative, supported by top managers. They form vital alliances and build a team that designs the innovation. If the innovation is successful, they involve others to inspire them and participate.

and increasing the customer value. They put the customer first. This concerns companies for which the service to customers is the essence of their existence and organizations in the care sector in which professionals are driven to make an effort for patients with health problems, mentally impaired people and young people with problems. With the service businesses, top managers take the initiative to improve the customer focus and work continuously on increasing customer value. They see customer orientation as their competitive strategy. In the care organizations, it is often the professionals who take the initiative. They feel trapped by rules and procedures, misunderstood in their professionalism and they take the initiative to focus on the customer. They seek support from top managers and make connections with partner organizations. Putting the customer first brings the business idea of the organization to the front. Attention is paid to the meaning of the organization and a joint ambition for the future arises. The relationship with the customer takes shape in a different way. Working methods and patterns of cooperation change. Professionalism

and craftsmanship are revalued. The change process begins interactively with discussions about the identity, service and professionalism of the organization. Realizing concrete changes in the work practice requires teamwork between directors, managers and professionals. It concerns a gradual and participative change approach in which all parties exchange learning experiences and share successes. They give meaning to the identity of the organization together, interpret the question of what the organization stands by and goes for and thus colour the business idea.

A success factor for increasing customer orientation is knowing the customer need and being able to empathize with the customer. The culture becomes visible in the daily interactions with customers. People with passion and professional knowledge who are prepared to stick their necks out are essential. Top managers play a visible role in increasing customer orientation; they make customer values explicit and appreciate the things that are working well. They maintain contact with people in the

Table 24.9 Maximizing customer value.

Why change?	As a company, strengthen the competitive position, or as a professional, to do the right thing, give sense to the work and meaning to the profession.
What for?	Gain competitive advantage through optimum service to customers or give meaning to the business idea of the organization and the pride of the professional.
Change what?	The daily work practice and the attitude with respect to customers. Decentralized control of business and social entrepreneurship. Change working methods, work processes, systems and patterns of cooperation through focus on customers. The relationship between directors and professionals changes as does the relationship with customers.
Change how?	A gradual and participative change approach in which people experiment, learn from each other and use interactions to flesh out the concept of working in a customer-oriented manner and the business idea of the organization. Combination of developmental and learning change strategies. Meaningful and interactive interventions are used a great deal.
Change who?	The initiative lies with top managers in companies and with professionals in civil society organizations. Teamwork comes about between directors, managers and professionals. Customers and external parties are involved in the change process.

organization and know what is important. It is about a continual process of cultural development. This requires stamina and teamwork of players at all levels who also manage to find the right tone with each other. Giving meaning and communication play an important part. Five aspects are involved: envisioning the future, connecting experiences and opinions, deepening towards core values, translating core values into concrete behaviour and broadening positive experiences to learn from each other, strengthen the identity and share the meaning that the organization has for its customers (Table 24.9).

Inspiration to Change

Leaders in cultural change are faced with the task of meticulously developing a change strategy and choosing appropriate interventions. Tracing out a cultural route for change helps in finding a way towards the future. The routes help to reflect on the five questions for change and make a story with which to inspire others to join that journey. A clear story about the route for change contributes to the success of changes that are meaningful and deliver success.

Essentials of Cultural Change and Leadership in Organizations

This final chapter contains conclusions about leadership and successful cultural change in organizations. I look back briefly at the perspectives on culture and cultural change. Then, I discuss the role of leaders and interventions for change. I conclude with a summary of the eight cultural routes for change and how leaders can take the initiative to change the culture of their organization successfully.

Don't Dare Call It Culture

The culture of organizations is not an abstract concept or something you can just tinker with. An organizational culture is an active and continuous process in which people form the identity of the organization together in the way they work together and live together. People in organizations construct a reality together, a reality in which they give meaning to events and with which they define their own truth. This truth guides behaviour. The culture in an organization is made up of several layers. The core consists of the basic assumptions, the identity and the values. The customs and competences are visible cultural forms of behaviour, even if people are not always aware of them. The individual behaviour and the interactions between people are visible, even if people can interpret the intentions of the behaviour differently. In the end, it is about how they perform their work and what people and groups in the environment notice about that. The

organizational culture affects the business idea of an organization. The business idea concerns the social meaning, customer value, unique competences and the distinguishing strength of an organization.

Cultural change is not a goal in itself. The changes have a reason and are rooted in ambitions for the future. It is about:

- Surviving crisis situations
- Strengthening legitimacy
- International expansion
- Qualifying for the future
- Reinventing business propositions
- Appreciating and valuing variety
- Breakthrough innovation
- Maximizing customer value

None of the companies actually uses the word cultural change for the changes they work on. It is a continual change process that takes several years in which directors, top managers, superiors, professionals and employees work on their future. In the change process, the identity and the values that guide the mutual cooperation and the relationships with the environment gain shape. The companies in this book have a clear vision of what the needs of their customers are and how they can give substance to them. The customer value is the main thing. They have balanced attention in the changes for their mission and vision, the strategy, the structures and systems and the relationship with customers. They have an eye for the work practices, the collaborative processes and the underlying values. Changes to strategy, structures and systems bring about changes in the daily work practices. Articulating the identity, identifying values and making behaviour explicit brings a deepening towards the basic assumptions. Cultural change concerns deep change with all layers of the organizational culture being given attention. People who work successfully on cultural change do not call it cultural change.

Principles and Success Factors for Cultural Change in Organizations

Cultural change comes down to forming a vital coalition with people who dare to stick their necks out and take the initiative. Successful cultural change requires a vision of the future and a joint effort by people who can

realize changes. A successful approach to cultural change in organizations has six basic principles. The basic principles are the conditions of successful cultural change. Disregarding the basic principles leads to almost certain failure of the change.

Basic principles for cultural change strategies in organizations are:

- Understanding and sharing the basis of the organization's success;
- Focusing on customer value and value-driven business processes;
- Breaking out of the existing and restrictive frames of thinking using strategic conversations;
- Bringing people together to imagine attractive futures and build future scenarios;
- Forming a vital coalition that initiates and guides the change process;
- Consciously balancing inspirational and Transformational change strategies;
- Monitoring the change process and adjusting aims and approaches when needed;
- Playing with inspiration and direction, rest and rhythm and sense and space.

Changing step-by-step in a conscious and continuous way is most successful for cultural change in organizations.

The general success factors for cultural change are:

- Initiate profound change with a vital coalition which takes the lead;
- Appreciate the successes of the past and value the strengths of the organization;
- Create trust through dialogue with business partners, customers and employees;
- Develop the business idea and envision a desirable future;
- Balance between existing identity and breakthrough innovation;
- Deliberate and discuss the change strategies and roles in the change process;
- Engage management, employees and customers in the change process;
- Invest in professional development and learning;
- Monitor the change process continuously to adjust when necessary and
- Visualize results and contributions to the business idea and share successes.

Other factors for successful cultural change are dependent on the context of the organization and connected to the drivers for change and the specific trajectories.

There is no best method of change. Each time, it involves making conscious decisions on how to design a change process that ties in with the reason and the ambitions of the organization. Organizations that are successful in cultural change aim at creating added value for customers. The ambitions are leading. The point is to qualify for the future and not to disqualify the past. The strengths from the past are used to make the change work out.

Changing starts with reflection. This not only means finding out the motive for the change and understanding the existing organizational culture but also thinking through a suitable change approach. Points of attention to consider in setting up the change process are:

- Degree of urgency and necessity for 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 reason for the changes.
- The unmanageability of the technical and financial systems.
- Positive and negative experiences with previous change processes.
- The quality of management and commitment of professionals.
- Knowledge and skills to design changes and supervise them.
- The willingness of leaders to use power and give space.

Leaders in cultural change often choose a gradual change approach that involves employees from all levels. Cultural programmes that concentrate exclusively on behavioural change do not work. A tightly planned, top-down change approach is rarely chosen. The main thing is gradual and interactive changes with input from the people involved and a restrained use of power. A developmental and transformative change strategy is mainly used, supported by a learning strategy. In the gradual approach, leaders in cultural change monitor the progress and make adjustments if necessary. There is minimal input from external advisors. Organizations that are successful in cultural change choose to implement the cultural changes under their own steam.

Successful companies with a strong identity choose a process of gradual cultural development. There is no need for a fundamental cultural change and moreover, it would be difficult because people involved would not see

the reason for any change. The culture is also difficult to fathom because people are not conscious of many cultural values and basic assumptions. With gradual development, people at all levels contribute to the development of basic assumptions, values and identity. Episodic cultural changes are not often encountered in successful companies. In companies in a crisis situation, top managers take the initiative for a deep change of strategy, structure, systems and culture. They name the problems, build a leading coalition, formulate a new vision, plot out a strategy, choose a different customer approach, invest in their service, change structures, renew systems, save costs and introduce new values.

Organizational Culture and Leadership

Leaders in cultural change are people who take the initiative, stick their neck out and question existing patterns. Cultural changes are not just a matter for top managers and directors, even if a cultural change is more difficult without the support of top managers. The initiative can still be taken from any role and any position. Often, it is the managers, professionals and employees who take the initiative to change the culture from a sincere feeling that things have to be different and can be different. Assuming leadership in change means being engaged in change.

Leaders in cultural change give meaning to the course of events by interpreting unclear or special events. They concentrate more on possibilities than on threats or problems. They know what the organization stands by and what it goes for, and they know what affects people. They are a role model to others and they do what they say. They make cultural values explicit and work on making these values concrete in behaviour. They actively involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future. Trust and space from leaders motivate others to get to work on a new vision in their own working environment and invite people to experiment with renewal. Leaders in cultural change indicate boundaries and are clear in what they do not want. They form vital coalitions to give shape to changes. They are willing to change players if this makes the transformation easier. The leaders stay optimistic, show progress and make successes visible. Leaders in cultural change are authentic, give meaning and work transformationally.

Authentic leaders know what is important inside and outside the organization. They are conscious of their environment, have a social

consciousness and are self-conscious. Through their sensitivity to what is happening in the environment, they see new possibilities. They know what is important in the organization and what people allow themselves to be controlled by. This enables them connect to the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. The leaders also know themselves with their strong and weak characteristics. They know who they are and they know their own motives. They are accessible and can be approached, organize honest feedback and are not afraid to make emotions discussable.

Meaningful leaders deliberately pay attention to specific cases and events. In crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to and what they definitely do not want. Initiators in cultural change name events, share interpretations and invite others to share their vision. Through this, they create space for dialogue and in that space, they give meaning. They sketch an attractive picture of the future, tell stories and inspire others with them to participate.

Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are conscious of their environment and are socially conscious. Transformational leaders are curious, explorative and have broad interests. They have a learning attitude and know what they are like, with their strong and weak sides. They are capable of seeing connections between widely varying developments. They sense when something is an incidental disruption of a work system and when something is symptomatic of fundamental change. They know how to operate in order to solve conflicts and how they can put tensions to use for renewal. They are aware of the values and standards of a social system and recognize when those rules have to be modified. They listen to others and have the capability of trusting others and building trust. They are inspiring and make an effort to realize cultural changes with others.

Organizing Interactions and Sense-Making

To keep changes going, leaders in cultural change mainly choose interactive interventions. Interactive interventions also stimulate people to search together for the underlying values that guide their behaviour. These interactions can be applied widely. Their use does not depend on the reason

for change, the sector or the size of the organization. Interactive interventions are intended to bring people together so they can exchange pictures, interpret their situations, develop a shared vision and undertake communal action to bring about renewal. The interventions affect the values and basic assumptions of an organization. When values change, it is about people knowing each other and a certain basis of trust arising in each other and in the future. Anyone in the organization can take the initiative for an interactive intervention.

Meaningful interventions are also used a great deal in cultural change. Meaningful interventions assume that people who talk and work with each other give meaning together to the reality in which they live. Here too, the reason for change, the sector and the size of the organization are not relevant. The interventions can be applied in many situations and leaders in cultural change often use them. Leaders use these interventions to envision the future. They give direction to the change and tackle people about their ambitions. They entice others to participate and work on the future together. It is usually top managers who initiate meaningful interventions. It is about providing guidance through the use of core values, stories, artefacts and symbols that reflect the values of the company. It is also about giving space to others to be meaningful themselves. Giving space mainly occurs in organizations where many professionals work.

In organizations that understand the rules of the market, top managers regularly choose structural and instrumental interventions. They are interventions that affect structures, systems and work practices indirectly. This concerns the indirect influence of behaviour through drastic changes to the context in which people do their work. It is striking that leaders in cultural change do not use large-scale cultural programmes that concentrate one-sidedly on behavioural change. Large-scale behavioural programmes are senseless for really changing a culture.

Learning interventions are often used in organizations that employ many professionals. These learning interventions invite people to experiment with renewal and to learn from that. This fits in with the professional attitude of professionals and that makes these interventions meaningful and effective in professional environments. Learning interventions are not about behavioural training or standard educational courses. They are about learning processes that focus on what is needed and desirable and in which people search, on the basis of their professionalism, for new working methods and methods of cooperation. New working methods

with associated values arise from these experiences and they contribute to the person's own professional identity and the identity of the organization. The learning interventions are not isolated and are always connected to interactive and meaningful interventions.

Conflict interventions are used to create space for renewal or pay attention to emotions. Power interventions are used sparingly when changing an organization's culture. These interventions are often chosen by top managers in businesses that are under pressure or in a state of crisis. The power interventions are mainly used to break through old work patterns and thus make space for renewal. Power interventions are never used on their own. They go together with interactive, meaningful and structural interventions, but rarely with learning interventions.

Essentials of Cultural Change and Leadership in Organizations

We can distinguish eight routes for cultural change that match the reasons for change and the ambitions of the organization. The routes not only describe the why and the what for of the change but also what changes, how the change is tackled and who changes. In the eight routes, just about everything in an organization changes: the strategy, structures and systems, and the culture. When they choose their change strategy, leaders in change always choose a careful mix of several approaches for change and specific interventions that fit the issue and the context of the change. The initiators are people from the organization itself. They can be top managers or superiors. They can also be the professionals or the employees. In every case, it is the people who have the courage to row against the current. They demonstrate leadership by taking the initiative.

The companies in this book are successful. The commercial companies are able to beat a crisis, have high customer appreciation and are more successful than their rivals. International enterprises are successful in international mergers and are thus able to strengthen their competitive position. Organizations in the care sector develop innovative care concepts that suit the needs of patients, the dignity of people with a limited mental capacity and young people with problems. Governments and government services are able to shake off the shackles of bureaucracy. They strengthen their legitimacy and realize high-quality service to citizens and businesses.

This book offers a wealth of examples of leaders who work successfully on cultural change. They do not talk about cultural change but take the initiative to realize ambitions together with others and increase the customer value of their organization. The book contains inspiration and handholds for being a leader in cultural change. I wish you success in realizing that ambition and with your own role as leader in cultural change.