

The Four Key Factors for Culture Change Programs to be Successful



Despite the fact that I am a marketing consultant, you'd be surprised how many business planning sessions I have facilitated over the years. Actually, I guess it's not that surprising really – there's no point having a comprehensive marketing strategy that has been developed completely independently of any coherent business plan. The best marketing strategies are those that are strictly tied into the business objectives, thereby ensuring the marketing effort is diligently applied and will meet the business expectations.

So often in our marketing or branding workshops the group ends up talking about the business as a whole- where it is headed, the issues and barriers people perceive, and potential paths forward. And if I had a dollar for every time the stern pronouncement was made – *'what the business really needs is a full scale culture change program'* – well, I wouldn't need to work anymore!

Yes, culture change programs are becoming as common as restructures – and generally every bit as useless! Those of you who know me will know I don't mince my words when it comes to calling a spade a spade – and unfortunately, the numerous off implemented rarely insightful and totally unconvincing culture change programs I have seen give me plenty of ammunition and cause for direct commentary!

The very words 'Culture change program' have become the silver bullet for many a mediocre senior management or Board who merely need to display strong and consistent leadership in the first place. Or an even more impossible dream, bestow the lauded 'culture change program' on some poor HR bunny to go forth and implement – as if it is the domain of one department to somehow wield a magic wand and make every person culturally in tune with management vision, aligned to their leaders and teams, and moving forward with positive energy and focus. And apologies in advance to all good HR people – but HR of all departments!!

So before I receive the barrage of emails from disgruntled HR managers (I do have faith in you, believe me!) – I thought I would just share the four vital factors I believe need to be in place for any culture change program to work. Indeed, I think even the worst thought out program will succeed if these factors are in place because it is these issues that really determine whether or not a culture change is ready and able to take place – not the robustness or otherwise of any particular program.

The four factors are:

1. Top down commitment
2. Structural change
3. Attitudinal commitment
4. Visible artefacts

Top Down Commitment

A company I briefly consulted to told me this remarkable story about their aborted mission into culture change. They had been undertaking various staff satisfaction surveys and had found out over time that whilst generally people felt fairly engaged with their actual work and job, they felt less engaged with the company itself. When employees rated the organisation, they considered it to be extremely conservative (which was both a positive and a negative), quite hierarchial and traditional with many layers of reporting, and as a result, often staid and slow. The Board in its wisdom decided to implement a culture change program and HR was despatched on white horses to fix the mess.

The HR people did some fine work of looking behind what people *said* in the surveys and into what they actually *meant*. And they found there were a few factors that were real emblems and symbols of internal culture that unless changed would forever render a culture change program destined for failure. I laughed out loud when I heard the lead emblematic issue – mainly because I had seen the very same factor before and it is so inane, so ridiculous and oh so easily fixed - but so many companies share this disease.

It's the company car park.

In this case, the car park had a limited number of car-spaces available which of course all went to the Directors – most of whom had no direct clients and so rarely used their cars during the day. On the other hand, some poor sod who was responsible for the company's clients (a fairly important audience one would think) parked miles away and faced a fair traiipse, past the glinting Mercs, Porsches and Beamers, backward and forward sometimes several times a day. This particular car park also housed very few undercover parks – all of whom were bestowed upon Directors, so they didn't get wet on their way to and from their cars on rainy days.

The staff were full of ideas as to how the car park could be more equitably managed – it could be first in best dressed, or an open ballot that changed at regular intervals, or any other range of options. And so it went to the Board who unfortunately did not have the full complement of members the day the recommendations were put – but it was nonetheless passed.

The HR people were delighted! It seemed that finally their culture change program would in fact be implemented with a whole raft of initiatives – not to mention the sacred cow of car parking finally being slayed. So what did they do? Announced to all staff joyfully that a new era was upon them and stand by for more exciting details.

The new era lasted until the next board meeting where there was almost an uprising that HR could be so audacious as to recommend that the Board's car parks be taken away. Were they completely insane? Whatever would they think of next? What is all this culture change phooey? Is it just HR going on again about people blah blah blah? Let's have a look at the business results? Nothing to complain about there, eh? So why are we even doing this culture change business? No, let's just put this whole program on the back burner for a while, car parking and all, and wait until we REALLY have a problem and we'll worry about it then.

Sound familiar?!

The single biggest reason I see for failed culture change process is not because the poor people implementing it don't want it – but because those at the top aren't committed to it.

So the first law of culture change programs is to make sure the people at the top ARE truly committed to it. Which is easier said than done – particularly when like it or not, the Board is generally not in touch with the business of doing the business. How many of senior management will have spoke to a line manager at a customer in the last month? (Not the customer company CEO, a line manager responsible for doing the business). How many will have had to manage a customer complaint? Or put in a sales forecast? Or let someone go? Or interview applicants?

Sure, the Board can't and shouldn't get involved with every piece of nitty gritty that occurs in the business, it's not their role. But at the same time, given that 91.3% of Board members of the ASX top 200 companies are white, aged over 45 (average age 59) and from an anglo saxon background (in a country where 1 in 4 people are born overseas) – how close are the Board to the real pressures of running an engaged internal workforce? Today's Board members are in the majority members of the Veteran Generation – where the pressures of a skills shortage were almost unthinkable, and the need to truly value employees a 'nice to do' not a necessity.

I have found the best way to influence unwilling CEOs to elevate the importance of valuing their people is to share the actual costs of recruitment and training. Often it is only when the cold hard facts as demonstrated by the impact on the bottom line is tabled that you start to see some commitment from the top.

And if you cannot get commitment from the top to the need for a culture change program, proceed at your peril. As much as it would be great to have a revolution led by middle management, sustainable change will not occur if there is no commitment from the top.

Your job is to determine if you have top down commitment – and that's them most important job of all in this process. If you do, then happily proceed to the next step. But if you do not have top down commitment, save the money and heartache and abandon ship. There can be no more demoralising action than claiming great change and giving people a whiff of a different future – only to snatch it back from them with no real intention of carrying through. Don't just act on what the Board says to you – act on what is in their hearts.

Structural Change

I agree with the adage *'if you always do what you've always done, then you'll always get what you've always got'*. And whilst I do not advocate change for change's sake, in most culture change programs I have seen there is an argument for some sort of structural change to occur in the business. Now I know this can be extremely disconcerting for people – the rate of change now is mind-blowing enough. Seems we don't even get through one company wide restructure before they're talking about the next one.

However, there is no doubt that *forcing* new behaviours in an area is an effective way to 'encourage' change in the ranks! If you want to send a signal that things are different, then shaking up normative processes is an excellent way to do this.

For example, witness the examples of those companies who implemented a quota system in order to increase recruitment percentages for certain types of employees such as women or indigenous persons. To be honest, I'd never been a fan of these quota systems with the feeling that putting in place a target either results in a token hire of substandard skills just to meet the quota, or an 'us and them' culture. However, I have revised that opinion since I have seen many organisations who in order to deliver that culture shift simply had to have it mandated first. And it really worked! Forcing the aspect through can deliver the outcomes you want.

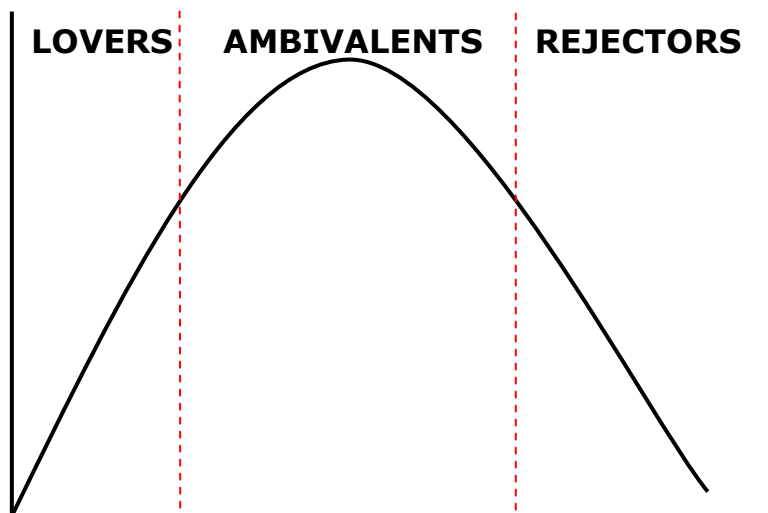
Would the attitudes and behaviour of the workplace have resulted in the same outcome following the course management intended without intervention? Probably. But I now believe that change is much more efficient and effective if it is accompanied by some level of structural change where old behaviours are vigorously replaced by new ones. It sends a signal, both perceptual and actual that 'things will be different around here' – and the signal is generally much stronger if there is something concrete people can 'hang onto' as evidence of change, not just a feeling or perception of change.

Attitudinal Commitment

If there is true top-down commitment, and some form of structural change can be implemented, arguably the most crucial factor of the four is Attitudinal Commitment. I say the most important, because no cultural change program can be effectively implemented and then sustained if there is no internal combustion driving and maintaining the cultural force from within. Sooner or later you have to get the troops on board and behind the change process.

And the funny thing is, when it comes to developing and maintaining culture, it is simply not right to say that all employees are equal. I know this may be terribly politically incorrect, but I don't believe it is feasible to expect that every employee contributes the same cultural values to the organisation. Some employees ARE more valuable than others.

For example, in any organisation I have found there to be a basic frequency distribution of employees, as evidenced below.



There is a group of between 0-15% who I like to call the 'Lovers'. Think of them in your organisation, you know the sort. They just seem to be incredibly committed to the organisation, they live it and breathe it, they are the heart and soul of the place. And no matter what you do to these evangelists, they continue to be engaged. I always think of them like those inflatable punching clowns you could buy when I was a kid, the ones you fill with water at the base. No matter how hard you punch them, no matter how much you try and hold them down, when left to their own devices they always pop up grinning maniacally at you.

Lovers are like that and god bless 'em, we could all do with more lovers in Australian organisations.

At the same time, at the other end of the scale there are a group often around the same size that I call 'Rejectors'. Terry Hawkins calls them 'Pit People' and I too think of them as pit dwellers. I bet you know this type too, they are the ones who are NEVER happy, the high maintenance ones who always complain that the organisation isn't doing enough/is doing too much/isn't listening to them/doesn't care etc etc etc. The thing about pit dwellers is you can't get a pit dweller out of the pit –they have to get themselves out. And the problem is they like it down there! Throw them a rope ladder and they'd rather pull you down into it the pit with them than use it to climb out! Give them a \$10,000 pay rise and they'd redecorate their pit with the money! The only strategy with pit dwellers is to get them out of your pit and into someone else's.

An interesting aside – for those of you who favour staff satisfaction surveys that are self completed en masse, who do you think are the first people to rub their hands together with glee and say 'yippee, a chance to use company time no less to tell them how MISERABLE they're making me!!!'? Yup, pit dwellers are generally over represented in self completion staff satisfaction surveys, so beware how you use the results or you end up making changes to suit a group of people who will never be happy.

The middle group are the largest and often most important when it comes to cultural change because they are open to movement – both greater and lesser engagement. Ambivalents like the idea of being committed, but are just not quite there - they have Seek bookmarked on their computer and go shopping there regularly. These are the people who you most need to connect with if you want a culture change program to be sustained.

Stephen Covey in his book *The Eighth Habit* surveyed 23,000 Americans and found that only 37% could actually articulate what the company stood for. Imagine that! So if your organisation was a football team, you'd be trying to win a game with seven people on the team not knowing which way were the goals! It is for this reason that Ambivalents are important to a culture change process.

So in terms of Attitudinal Commitment, you need to inspire two of the three group. The Lovers are the heart and soul, and because of their evangelism are the most likely to naturally embrace change and run with it. Don't take them for granted though, because hell hath no fury like a Lover scorned, and you don't want to turn them into a Rejector in record time! So Lovers will be your leading lights - but Ambivalents are the army that deliver change. They are large in volume, and they are the ones who need the greatest amount of attention to ensure you engage them properly and appropriately if you want the culture change program to be sustained.

Visible Artefacts

The same way that structural change is required to help provide evidence of change, visible artefacts are another way in which new behaviours are articulated, evidenced and rewarded. Visible artefacts are those things that are symbolic of what the organisation believes in and values. The most successful are those which are public rewards that everyone can aspire to, but which underpin the focus of the organisation.

It is possible to have visible artefacts that send the wrong message. I once worked for a company that celebrated each Christmas party with a 'Fall on Your Sword' Award. The prize was the most magnificent ornate sword, and was awarded to the person each year who 'fell on their sword' as a client departed the organisation in an attempt to defer the client leaving! Fancy everyone gathering to applaud the bestowing of the sword each year to someone who lost a major client! Fortunately once new management began one of the first things they did was stop the Fall On Your Sword Award – something which in itself was a visible artefact of change, sending a message to staff about what was to be valued. It was replaced with a scholarship prize to the value of \$10,000 made up of visiting a number of international offices, and awarded to the person deemed to be the best team player for the organisation across the year.

These sorts of awards are excellent visible artefacts. They point to what the organisation believes in and helps not only reinforce positive values and engage staff, but they also set up a range of cultural rituals and rites of passage that really help establish and punctuate strong cultures. People like to celebrate the nuances and oddities that make up a culture, it builds a sense of belonging – particularly if the ritual is closely tied to organisation values.

For example, I did some work on the Employer Value Proposition for the Victorian Government Department of Human Services. I spoke with a range of employees, many of whom are genuinely engaged by the job they do and their reason for being to address social disadvantage. The Department – like many organisations – produces a wealth of information for employees regarding the type of work they do. But one 'event' emerged early in 2007 that proved to be a very bonding experience for many employees. It was also an event that was uniquely 'DHS', one that I couldn't see every organisation replicating.

It was the decision to televise live the formal apology of Australian Prime Minister Kevin Rudd to the so called 'stolen generation' - indigenous populations who suffered separation from loved ones due to misguided government policy in years gone past. This was a historic and solemn occasion and staff were invited to stop work, gather in the foyer, enjoy a tea and coffee and watch the monumental occasion live. The Secretary, head of the organisation, was visible and present, circulating with staff and enjoying the occasion.

Such events are not only great rituals to establish and reflect the culture of the organisation, they are also an outstanding opportunity to reinforce the very values of the organisation. I can't think of many other organisations who would have downed tools to watch Kevin Rudd say sorry – but for DHS who respect values of diversity and equality, this was the perfect way to engage employees who share that same goal.

Such is the power of visible artefacts. They are the sometimes intangible things that really speak to employees about the culture of the workplace, and the values management embraces and aspires to. And they – like structural change – work to provide ongoing visible artefacts for people to grasp the ethos of the organisation.

So that's my four factors for lasting cultural change - Top Down Commitment, Structural Change, Attitudinal Commitment and Visible Artefacts. I'm sure there are other factors that could be added – but hey, if we just spent more time just getting these four happening then we'd be in a much better place, don't you think?