“Often the acquiring organization’s culture dominates, yet this client realized that there were cultural elements of the other organization that needed to be retained. The senior team underwent a disciplined process to define the new culture by clearly articulating the vision, values, and core beliefs.”

Driving Culture Transformation During Large-Scale Change

By Wendy L. Heckelman, Sheryl Unger, and Christina Garofano

Introduction

Large-scale change efforts have a greater likelihood of success if the organizational culture, including individual values and beliefs, is aligned with the goals of the change effort. This article offers five core principles to guide culture change and improve the probability of successful transformation.

What is Organizational Culture and Why is it Important for Large-Scale Change?

Every organization has a culture. Denning (2011) defines an organization’s culture as, “an interlocking set of goals, roles, processes, values, communications practices, attitudes, and assumptions [that] fit together as a mutually reinforcing system and combine to prevent any attempt to change it.” There are many aspects to shaping and reinforcing organizational culture. For example, Schein (1985, 1992), emphasizes the role of leaders in culture formation, maintenance, and driving change. Connors and Smith in Journey to the Emerald City (1999) argue that individuals’ experiences, beliefs, and actions are also important factors that shape organizational culture.

Organizational culture can affect large-scale change efforts (e.g., mergers, integrations, organizational restructuring, and field expansions) in two distinctly different ways:

1. Culture can be a primary source of resistance to change. If the elements of an organization’s culture, such as existing beliefs and work practices are not aligned with the goals of a larger change effort, they can drive behavior that is counter-productive to the change and/or reinforce the status quo.

2. Additionally, culture can be an important strategic lever. The same cultural forces that cause resistance can also be used to drive the change effort when they are aligned with the goals of a large-scale change effort to guide the desired behavior.

Companies need to determine the extent that organizational culture impacts their strategic change effort. Once a determination is made, cultural change efforts should be incorporated into execution plans to improve the likelihood of success.

Guiding Principles for Achieving Cultural Change

Based upon our more than twenty years working with clients to change their structures, procedures, performance, systems, and results, we offer the following five core principles to support cultural change during large-scale transformation:

1. Culture change takes place more effectively when worked at three levels: organization, team, and individual.

2. Culture change is accelerated by connecting individual beliefs to organizational results.

3. Culture change requires a planned and disciplined implementation cascade.

4. Culture change is accelerated by using a “Leader led Learning” approach.
5. Technology should be leveraged for communications, measurement, and reporting successes to reinforce cultural change.

1. Culture change takes place more effectively when worked at three levels: organization, team, and individual.

Kotter (2012) and others (Bossidy & Charan, 2002) have noted the importance of execution planning and working with change agents through an organization to achieve large-scale change success. By creating sustained changes in thinking and behavior, we have found it critical for execution planning efforts to target specific levels of an organization. A framework for addressing issues at the three recommended levels of the organization is presented in Figure 1.

Working at each of the three levels creates consistency and reinforcement that helps drive behavior and cultural change. At the organizational level, senior leaders need to clearly communicate, model, and reinforce the values, beliefs, and culture they want to create. At the team level, the focus needs to be on translating strategic goals into team responsibilities, then addressing the impact of these changes on the team. At the individual level, the personal dynamics of the change should be addressed, e.g., specific behaviors that individuals need to start, stop, and continue doing to be effective. In addition, individuals should be rewarded for demonstrating commitment to the new cultural beliefs.

Culture change can be difficult to implement because values and beliefs are hard to modify. To ensure that these efforts are creating underlying changes that will last, work at each of these levels should also include examination of potential risks, barriers, and obstacles to success. It is important to assess perceptions and fears at each of these levels early and often and make plans to address the findings.

As a practical example, a client needed to bring two distinct cultures together following a merger. To achieve the established financial and business targets, leadership recognized the need to get teams up and running and quickly aligned around common goals and beliefs. Often the acquiring organization’s culture dominates, yet this client realized that there were cultural elements of the other organization that needed to be retained. The senior team underwent a disciplined process to define the new culture by clearly articulating the vision, values, and core beliefs.

To build commitment around the vision and to provide an opportunity for employee engagement, the implementation cascade included workshops that focused on the newly desired culture. The workshops gave teams an opportunity to explore what the vision meant, further define the desired behaviors needed to accomplish goals, and for each individual to understand their accountability for realizing the vision. Individuals from both organizations came together, found common ground, and created shared commitment to the new organization. More importantly, the teams agreed on goals and ways to work together to achieve the goals and limit distractions that may have been caused by the merger.

With this client, working at all three levels helped ensure clear, consistent messages were communicated about what was changing and why, and helped effect cultural change by creating common values and goals.

2. Culture change is accelerated by connecting individual beliefs to organizational results.

To change behavior throughout an organization, companies should consider the various factors that influence behavior, including individual beliefs. The link between an individual’s beliefs and their behavior is well understood (e.g., Ajzen,
Using the “BEAR Model” to Shape Culture

**Figure 2. The BEAR Pyramid**

1985; Bandura, 1977). Connor and Smith (1999) speak of how beliefs shape organizational behavior and culture. The BEAR pyramid in Figure 2 is an adaptation of their “Results Pyramid.” We have found this model to be highly effective when used with clients to emphasize how core beliefs form and maintain their culture and contribute to successful organizational results. For this reason, our depiction of the model places beliefs at the bottom of the pyramid.

There are several important takeaways from the BEAR model:

- In order to change an organization’s culture and results, individuals need to clearly see the link between their own beliefs, how they act, and the results of the organization.
- It is critical to address any misalignment between individual’s beliefs and the values of the organization. Lack of alignment may cause individuals to be less motivated to act in ways that will produce the desired results. Simply communicating a new vision will not necessarily change an individual’s beliefs. It is important to assess individuals’ beliefs and find out their root cause to determine how the issues can be addressed. This can be done with surveys, focus groups, and direct conversations with team leaders. It can be difficult to change beliefs, but knowing how individuals feel and what is motivating their actions is an important first step in attempting to achieve different results.
- Leaders need to create experiences that shape and reinforce desired beliefs. For example, if it is desired that an individual believe they are empowered to make decisions, they need to be given experiences that demonstrate this clearly—not simply empty words.

In reference to the case study where two distinct cultures were brought together following a merger, the BEAR model was used as the framework for driving cultural change through workshops at each level of the organization. Senior leaders outlined the specific beliefs that were needed to drive actions to make the organization successful. One of these was the need to prioritize “innovation for growth.” They defined this as a need to bring value to customers through people, products, and services. To help field sales internalize this goal, they were encouraged during the workshops to take responsibility for communicating the products’ features and values just as R&D did for developing the cutting edge innovative products. The workshops helped employees to find innovative ways to improve the organization, change their beliefs about what the company wanted them to do, and encouraged the formation of a new organizational culture that fit with the desired change goals.

3. Cultural change requires a planned and disciplined implementation cascade.

Sustained belief and behavior change requires repeated efforts. A single communication or PowerPoint presentation is likely to be ineffective at producing any lasting behavior changes. Likewise, efforts to create lasting changes to an organization’s behavior and culture need to be thought of as a marathon, not a short sprint. Similar to the design requirements for an effective training program, organizational change execution plans should provide opportunities for multiple opportunities to repeat and reinforce key messages. For example, companies should plan to cascade communications throughout the organization and include tools for managers. Changes should be reinforced with incentives, performance metrics, and follow-up learning programs to ensure that changes are not superficial or temporary. The goal is to encourage behavior change that will not revert back to old patterns and becomes a more permanent part of the way the organization believes and behaves.

Additionally, organizations should not be considered a homogenous entity. One of the key additions to Schein’s second edition of his classic Organizational Culture and Leadership (1994) was the concept that subgroups within an organization could each have their own unique subculture. This means it is important to customize the tactics used to launch an organizational change initiative to address subgroup differences. A cross-functional project team should be used to customize the implementation cascade. This project team should work with leaders from each subgroup to define the experiences that
will help shape beliefs and the behaviors required to produce desired results (per the BEAR model illustration).

To return to the case study, a formal implementation cascade was created. Senior teams outlined the desired beliefs and were charged with initiating the cascade to their respective teams. In this particular case, the organization had an extensive field group; therefore, workshops needed to be scheduled across the country to give them an opportunity to understand the new desired beliefs, practice the desired behaviors, and create action plans to achieve the desired results. The cascade and workshops were also designed to provide balance with consistency and enough flexibility to allow managers to meet the unique needs of each team.

Flexibility during the implementation phase also enabled the company to address important subgroup differences. In the field sales group, a variable that could have caused push-back was the concern of time away from the job, especially customer activities. Therefore, field managers were able to conduct meetings and workshops virtually, as required.

4. Cultural change is accelerated by using a “Leader led Learning” approach.

The Leader led Learning approach compliments the overall goals of any organizational change initiative. This is because leaders and managers at all levels are involved in the learning and modeling of desired changes for their teams. This approach is closely related to the previous principles because it works at multiple levels of an organization and conveys messages and behavioral expectations. It can also be included in the implementation cascade as it helps with belief and behavior change when leaders are modeling the desired changes through experiences. For these reasons it helps an organization make fundamental cultural changes to practice and values. This approach is the difference between receiving a communication from a senior leader and having the opportunity to watch the senior leader model this new behavioral expectation while also explaining why the new

<table>
<thead>
<tr>
<th>Understanding “How Things Work”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Question</strong></td>
</tr>
<tr>
<td><strong>Complexity Level</strong></td>
</tr>
<tr>
<td><strong>Quick Hit</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>If you have more time</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Materials</strong></td>
</tr>
<tr>
<td><strong>Learning Points</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Follow up</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

*Figure 3. Leader-led Learning Example*
behaviors will lead to greater organizational success. To successfully implement this approach, Leader led Learning modules should:

- Be conducted separately, in as few as 20–30 minutes, during a regular team meeting
- Be sequenced over time, in an integrated manner to drive cultural change and minimize time away from work responsibilities
- Contain all instructions, materials, and pre-work needed to prepare for the session
- Outline suggestions to ensure effective follow-up action planning
- Outline specific exercises for teams to problem solve and action plan
- Focus learning where adults learn best—on-the-job and with real business challenges
- Enable line leaders to collaborate with their internal partners (HR, Learning and Development, Organizational Effectiveness) to “stack” modules for more intensive team work

In order for Leader-led Learning to be effective, the leaders conveying the learning also need to be effective change champions who can display convincing commitment to the new strategy and vision. There may be a need to assess the beliefs of existing leaders and team managers and holding workshops to discuss and resolve issues prior to launching a Leader-led Learning approach. This assessment of beliefs is worth the effort to avoid wasting time and resources if leaders and managers are not yet on board. It also decreases chances of a change failure and the negative consequences which can result (c.f., Kotter, 2012).

In the case study, Leader-led Learning modules were used with great success. Module topics were chosen by the organization based on the beliefs and behaviors they wanted to change, as well as the challenges their teams and individuals were expected to face. The modules were developed for leaders and team managers to use with their teams. They were short sessions that provided an opportunity for the manager and team to quickly surface challenges and opportunities. They also helped distribute responsibility for change success as managers were given accountability to diagnose and address the change issues, ultimately encouraging them to be change champions. This helped effect cultural change at multiple levels of the organization, including the team and individual levels.

5. Technology should be leveraged for communications, measurement, and reporting successes to reinforce cultural change.

By targeting change efforts at different levels, emphasizing the role of beliefs and values, and using leader-led learning to model and reinforce desired changes, we were able to influence the organization at a fundamental (cultural) level and produce lasting behavioral change. In the case study being discussed, this approach resulted in many positive outcomes. The client was able to meet its performance goals, retain talented employees, improve its customer-centric approach, and position itself for greater success for many years to come.

Change efforts today have the advantage of leveraging additional technology platforms to support overall communications and measurement tracking. Communications planning should also take cultural variables into account. An example of this would be the customization of communications for subgroups and the use of platforms that individuals already know and trust to help improve the reception of new messages and overall adoption of changes.

To determine the most effective methods of communication for subgroups, an organization should ask the following questions:

- Which communication methods and platforms are effective and preferred by leaders, teams, or individuals? Consider the appropriateness of social media for conveying messages and information between teams and individuals. For example, a topic-specific Facebook page could help a leader or manager convey updates and team members can ask questions or exchange information.

- Which channels could have strategic importance for meeting business objectives?

- What is the current level of timeliness, relevance, accuracy, and perceived trustworthiness of each communication method or platform?

Measurement and reporting of progress and success are well-known as critical components to ensure ongoing change success. Doing these with a focus on organizational culture is also helpful to explain observations and ensure results:

- In addition to measuring behavior and results, develop measures of belief and value to assess the adoption of change by leaders, managers, and individuals. Make surveys anonymous to encourage honesty and track by organizational group so interventions can be appropriately directed. Follow changes over time with baseline measurements and ongoing surveys.

- Provide leaders and change champions with needed feedback on gaps between existing and desired behavior and beliefs. Enable the focusing on areas with the biggest impact on performance and results. Reports should convey team or group level, as well as organizational-wide progress.

- Use technology inventively, e.g.,
familiar/novel platforms to collect and share successes and lessons learned.

The case study client who was seeking to merge two cultures, used technology to strategically meet communication needs and track individual change and organizational results. Web-based surveys were also used to gather data on individual beliefs and behavior change over time. Electronic newsletters were developed to reinforce key messages and share successes along the way. These newsletters helped with change adoption because contributions were encouraged by all. Individuals were able to see leaders, as well as peers modeling desired behaviors and beliefs, thus, helping to reinforce the desired culture change.

Conclusion

The five core principles discussed draw on classic theory and practice for large-scale change execution, however, they also emphasize the importance of the role organizational culture has in supporting and reinforcing change. By targeting change efforts at different levels, emphasizing the role of beliefs and values, and using leader-led learning to model and reinforce desired changes, we were able to influence the organization at a fundamental (cultural) level and produce lasting behavioral change. In the case study being discussed, this approach resulted in many positive outcomes. The client was able to meet its performance goals, retain talented employees, improve its customer-centric approach, and position itself for greater success for many years to come.

References


Human Resource Management is changing. Moving beyond basic transactional functions, your role as an HR professional has now evolved to working with executives and managers to set priorities and guide change for your organization. Drawing upon the research and practice of seasoned Organization Development professionals, Handbook for Strategic HR collects articles found in the esteemed journal OD Practitioner to give you a full overview of the core knowledge and skills you need to play a trusted advisory role in your organization.

A compendium of the best thinking on the subject, Handbook for Strategic HR supplies you with methods to help you: see the big picture, think systemically, and strategically identify where best to foster change in your organization; team up with consultants and senior level staff in leading change projects; put employee engagement to practical use in the important work your organization is doing; operate effectively in cross-cultural and virtual working situations; and much more.

Featuring 78 articles containing creative approaches, practical tips, and proven methods that will help you add value to your company, Handbook for Strategic HR is the gold standard resource on the important topic of organizational development.

About the Editors:

OD PRACTITIONER is the quarterly journal of the Organization Development Network, an international association whose members are committed to practicing organization development as an applied behavioral science.

The Handbook for Strategic HR is edited by: John Vogelsang, Maya Townsend, Matt Minahan, David Jamieson, Judy Vogel, Annie Viets, Cathy Royal, and Lynne Valek

Hardcover, $60.00 US
Benedictine University graduate students learn from leaders in their fields. Leaders like internationally recognized professor Peter Sorensen, Ph.D., who was integral to the development of one of the country’s first master’s programs in Organization Development and the author of more than 200 articles, papers and books on the subject. Those in the know, know Dr. Sorensen.

Read the rest of Peter’s story at www.ben.edu/grow.
MARK YOUR CALENDARS FOR THE OD EDUCATIONAL AND NETWORKING EVENT OF THE YEAR

Registration is now open for the OD Network 2013 Annual Conference! Visit www.odnetwork.org/conference for the latest information on speakers, events, exhibits and sponsorship opportunities at this year’s conference. Register by August 30th for the best rates!

Creating New Networks Between and Within Communities

Building, Developing, & Sustaining Innovation in Organizations

Revitalizing Practice Development

Innovating in Social Systems

Enhancing Strategic Human Resources and Organizational Learning

www.odnetwork.org/conference