

Achieving cultural change: a practical case study

Richard Allen and John Thatcher

Sustaining cultural change in turbulent times

Introduction

Much has been written over recent years about the need for many British industries to adapt and change in order to compete effectively with overseas competitors. Many have addressed this challenge by seeking to change the way they are led and managed but then the real challenge has begun: how to sustain the impetus to see the change through. We have all heard of and received glossy brochures announcing the new way of operating and also seen expensive high profile programmes launched. However, these are often greeted with some cynicism and scepticism from long suffering staff who have "seen it all before" and are disillusioned with never ending flavour of the month attempts to improve their "lot" and the business results.

This is the story of the attempt of one part of a major computer company to bring about and sustain cultural change at a time when the industry itself is in the throes of enormous upheaval. This is the difference in the Bull story. The sustained momentum built up over five years despite pressure from many quarters to stop. Furthermore, a relatively low cost and low key approach was taken. Cultural change does not have to be expensive or glossy nor does it have to start at the top – here is a story of a division of a company taking the lead and making a real difference to its employees' working lives and to its business results.

Background

Bull Information Systems is a subsidiary of Groupe Bull, the French state-owned computer company with 45,000 employees worldwide. The UK company is 1,900 strong. Bull Services (which is the part of the UK company where the story begins) employs some 350 staff at Hemel Hempstead with 200 others based at Livingston and Brentford. Bull Services at Hemel Hempstead has been producing software and services for approximately 25 years and by the late 1980s had gained a good reputation for technical expertise but a weaker one in the rest of the

company for communication, helpfulness and customer awareness. The culture of Bull Services at that time only supported decision making from the top of the organization.

The need for change

Is it really possible to chart or pinpoint accurately the beginnings of organizational change? Probably not, but there are two or three events over a period of time which, in retrospect, contributed significantly to the current activities. As in all honest assessments some of these events involved clear thinking and foresight and some were purely due to chance.

The need for some fundamental change was recognized as early as 1986, although the extent of what was needed was not. The organization had been consistently suffering a loss and was recognized as being internally focused and bureaucratic. The business had a hardware orientation and a proprietary systems bias. The staff had little commercial awareness and the management were seen to be isolationist and extremely task-focused. However, as is often the case, it was decided that the needs were really at "junior management levels" and so a purpose-built programme was designed and run for team leaders. Progress was somewhat slow, although delegates attending were not slow to express their views to the managers visiting the programme – something that has been consistent on all initiatives since 1986. The key pieces of feedback indicated that, although there was much emphasis on managing tasks, there was little on managing people and getting the best out of them. Nothing too surprising in that feedback, but its impact over time triggered other programmes that did spawn the core change initiatives some time later. There is learning for all here, in that persistence and some degree of continuity were key factors in getting the attention of senior management and eventually their commitment. It is still rare for the impetus for change to flow from the top despite many people's wishes. It is also relevant to question whether it is best for change to flow from the top – it may well be better for it to be seeded lower down in the organization where there is a real energy for things to

be different. In this way any programme develops a greater degree of ownership and will be more likely to stick, assuming that support from the top is also encouraged and developed.

Through the team leader events it became increasingly obvious that some activity or development was required at the top of the organization. There are always complaints about the next level up but in this case there was hard evidence that the top team needed to develop themselves as individuals as well as a team. The director had been very supportive of the overall programme and had received the feedback directly through attendance on the courses as well as via the consultant. The pressure mounted and eventually an event for the top team was mounted and run, some 18 months after the initial team leaders programme – patience and persistence being the byword for consultants and managers! The event for the top team was both a success and a disappointment. The director was immediately asked to take another job elsewhere in the organization and the structure of the team had to change. The event itself created a greater sense of teamwork and openness but the loss of the director tested people's flexibility and adaptability to a new director and structure. The need for flexibility at all levels can be difficult to develop, but is crucial for any change programme.

A new director arrived on the scene and quickly gained an appreciation of the scenario. It was decided that a change initiative should be introduced formally. On assessing where to start it was decided that the new programme should be aimed at “unfreezing” the attitudes of the middle managers. There was strong evidence that real ownership was not being taken and far too many decisions were being fudged, delayed or pushed up the line – anything to avoid having to take the risks themselves. There was also evidence that communications were being blocked by a “spongy layer” in the middle of the organization – little quality information was going up to the top or down to the more junior levels. If the information was not crucial to achieving the task then it was ignored or put to one side. As was said, within the company, at a later date, “In Bull we have tended to focus too much on what we call the ‘hard’ side of business – policies, practices and objectives. Because of that the vast majority can only ever work at 50-60 per cent of their capability. But behaviours and values are equally important – they are the glue that makes organizations work well. It is this softer side that we need to encourage in order to achieve a new, ‘fleeter of foot’ way of operating.”

Leadership for Change

The programme Leadership for Change was designed and introduced with specific aims outlined to:

- unfreeze, empower and mobilize the middle and senior management;
- dispel cynicism about the new director and senior management;
- obtain feedback which could be used to stimulate and guide the change process;
- develop better skills in coaching, delegation and feedback; and
- start the move towards a more customer-oriented culture.

The programme was run in two parts over a six-month period with the first workshop lasting three days:

Day 1 consisted of:

- Personal introductions – establishing relationships.
- Setting the ground rules and forming small groups.
- Reviewing the business and economic scenario.
- Presenting delegate picture to director.
- Core skill development – situational assessment.
- Preparing personal review of own role and situation.

Day 2 covered:

- Core skill development – listening, questioning and feedback.
- Small group work – presenting and analysing the personal reviews.
- Leadership – taking charge of the situation.
- Individual work – identifying key development areas.
- Agreeing format for flexible programme.

Day 3 involved:

- Flexible programme – often includes delegation, time management, influencing.
- Developing plans for building continuous support.
- Action planning.
- Review.

The second workshop was of two days' duration:

Day 1 comprised:

- Welcome back and sharing successes.
- Simple counselling techniques.
- Reviewing personal action plans in depth.

Day 2 covered:

- Flexible programme.
- Our message to the management team.

- Programme review.
- Further action plans and planning support.

In each workshop the emphasis was on what each participant could or should be doing to improve the effectiveness of themselves and their part of the business. The programme was received with great enthusiasm by the majority of the attendees, many stating that it was the first programme they had attended that really focused on their needs and offered practical advice. The outcomes in terms of the action plans were reviewed on workshop 2 and there was, on average, a success rate of some 80 per cent of each plan being achieved. In the bigger picture the programme helped increase the impetus and pressure for change. By attending all the programmes the director gradually overcame the somewhat cynical view that he was something of a “knight on a white charger” who would soon disappear and not last the course. (A view based on historical organizational myths.)

There were many by-products of the programme including ongoing support groups which were giving the middle management a growing sense of purpose and power. Also a project managers forum was established by participants to discuss issues facing them all. It was run by the managers themselves but with the full backing of the director. This was significant in that those suggesting the idea had expected it to be squashed, as a similar initiative had been many years earlier by a director – an example of how history gets in the way of current activity and how organizational stories become “how it is around here”.

This was also evidence of a sense of increasing ownership of the problems of the organization. Many issues that had been waiting for resolution were being handled as opposed to just talked about. One important outcome from the attendance of the management team on the programme as delegates was the decision to attend a facilitated event as a team and so an event was designed and developed for them.

Executive team development

This event turned out to be a watershed in the work we have done in Bull. For the first time the director’s style was fully understood and appreciated and subsequently the team took more responsibility for their own actions.

A key element of the event was to collect data formally from the rest of the organization on how they perceived the team to be performing. The results of this, once reviewed by the team, came as a shock and emphasized the importance of making this event work. It was clear to those lower down the organization that the management team was in fact not a team but a group of competing individuals. The data were collected by both a series of interviews with a cross-section of the organization and a more extensive survey done by

questionnaire. The interviews followed the same format as the questionnaire but obviously allowed for follow-up and more detailed probing of answers. The questions asked during the interview were:

- What is your understanding of the role of the management team?
- What is your understanding of their strategy and functional plans?
- How clearly are management’s roles, responsibilities and authorities detailed?
- How approachable do you find the team – as a team – as individuals?
- What do you see as the main strengths of the team?
- Where are the weaknesses?
- What does the team do well?
- What would you like to see them do differently?
- What differences do you perceive between our management team and our competitors’ management teams?
- If you had just one piece of advice for the team what would it be?

The data were collated and posted on flip charts for an early session on the team event.

The event focused on improving individual relationships in the team, developing clearer understanding of roles and agreeing the strategies for the team’s business plans. It was a very tough but rewarding event with much emotion and tough talking. The final session, called for by the team, sought to analyse what had contributed to the event’s success and building that into a set of ground rules for the team for the future. This was done and, as consultants, we suggested that a similar set would be useful as guidelines for the whole of the division. This subsequently became the cornerstone of the values work (see below), as the managers realized its potential for the whole organization.

Change strategy

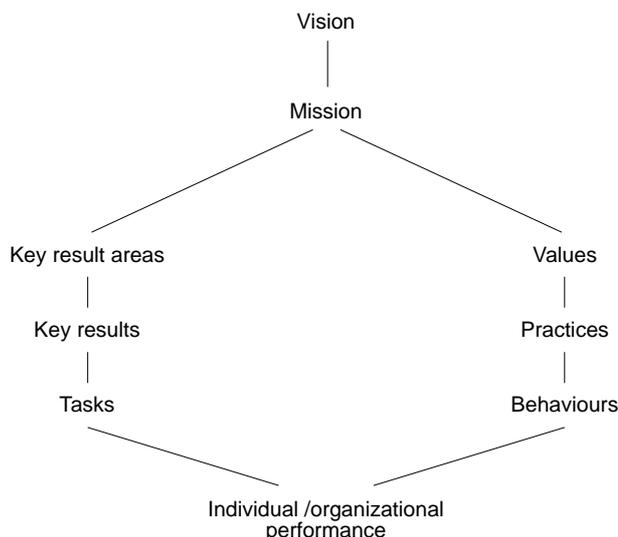
In many organizations the traditional focus has been, and still is, on getting the task done with little, if any, focus on the importance of how it is done. This has resulted in many organizations developing cultures where internal competition flourishes and where destructive politics become the norm. People have been rewarded for their own success and not for working with others co-operatively to achieve common goals. It is now recognized that as the need for customer satisfaction is paramount people must work together in their organizations in a way that is consistent with this. For a business to flourish in the long term managers must treat the internal staff in the way that they want them to treat the customer. We believe

that a change in the external focus often demands internal change also.

The performance management model (see Figure 1) makes clear the need to balance doing things with how you do them if you are to improve individual and organizational performance. This model has proved very valuable in explaining to managers the crucial importance of focusing not only on the operational side of the business in terms of key result areas, etc., but also on the expressive elements such as values, practices and behaviour. It is not only the quality of the product that affects customer loyalty but also the way they are treated. All of these activities need to take place within a framework of a clearly communicated vision and mission if they are to have an impact on performance. We introduced the performance management model to a group which had been established to steer the change programme, and it was at this stage that a distinct strategy emerged which included the following components:

- Building a set of values for the whole division.
- A review of the performance review system to include the values and behaviours
- A programme designed for all managers to continue their development but covering the values and behaviours in some detail.
- Team-building events for chosen teams designed to include the values and behaviours.
- A one-day programme to launch the values and behaviours to all staff.
- A marketing booklet setting out the values and behaviours for all staff.
- A poster to be visible on all office walls.

Figure 1. Performance management model



- Continuation of the work being done with the top team.

Values

The first stage involved trying to translate the management team’s ground rules into values. This was done through a lengthy consultation period with the organization. A focus group was pulled together from different functions and levels in the hierarchy. Each then consulted with colleagues in their area before a proposal was agreed and put to the management team. The proposal was agreed with them with the term PROFIT gradually emerging as the mnemonic:

- P = Partnership
- R = Respect
- O = Ownership
- F = Fun
- I = Innovation
- T = Trust.

It was also agreed that the simple statement was not enough – the values did not tell people clearly how they should be trying to behave. To mean anything they had to be translated into practices and behaviours to which individuals could relate. For example, partnership means many things to many people and so we attempted to be more specific for each value about what was needed to move the organization towards its aim of being more customer-oriented. The following practices were developed:

Partnership

- Take the lead in building strong links and relationships with customers and colleagues.
- Establish clear ground rules and performance standards for individual and team relationships with your network.
- Develop common goals with customers and colleagues to achieve key results.
- Address individual and team conflict positively and constructively with those concerned.
- Adopt an attitude of all for one and one for all.

Respect

- Give credit openly to others inside and outside the team for their contribution.
- Be prepared to disagree about issues while treating them with respect.
- Listen to and respect views which are different from your own.
- Have respect for other people’s time; be prompt for meetings and appointments.

- Respond actively to communications and requests from customers in the appropriate time-scales.

Ownership

- Actively seek, encourage and act on feedback for yourself and the team from customers and colleagues.
- Take the lead in acknowledging excellence in other organizations.
- Take a wide-angled view, identifying areas for improvements and push forward the changes.
- Ensure that actions are carried out in a timely manner to the standards agreed.
- Actively help others to achieve their performance goals in a way consistent with our values.
- Take the initiative in making actions happen inside and outside the group.
- Take responsibility for the achievement of the overall task as well as your own individual or team contribution.

Fun

- Promote a friendly, supportive and challenging work environment.
- Be proactive in encouraging team spirit in support of others.
- Take the lead in acknowledging individual and team success.
- Exhibit and promote an enthusiastic and positive approach in working within your group, the organization and with customers.
- Take a genuine interest in the rest of the team.

Innovation

- Welcome new ideas and listen to and evaluate them with respect.
- Be prepared to challenge the status quo with informed risks where you see that improvements can be made.
- Learn and share all new ideas, even those which are not successful.
- As an individual and in organized groups, be receptive to new ideas and practices with the necessary changes.

Trust

- Offer and ask for help and support in achieving performance goals.
- Challenge people who behave in a way inconsistent with our values.
- Maintain confidences when requested.

- Be prepared to delegate and trust others to achieve tasks.
- Actively communicate accurate and clear information in a timely manner throughout the organization.
- Be prepared to admit and learn from mistakes and act in a non-defensive manner.

Before agreeing the overall statement with the top team a slice of the whole organization was consulted. The process was completed in about two months involving about 15 man days – a small price for such a potentially significant piece of work. Again, with hindsight, consulting with the various layers of the organization on the definition of these practices and behaviours has been of fundamental importance to their acceptance. Additionally, it helped people recognize that they were a statement of things to aspire to and not a statement of where the organization was. It is crucial to the whole process that this message is clearly understood; otherwise it is too easy for people to point the finger, usually at the leaders who are not exhibiting all the statement to the letter, and use that as an excuse for not attempting to change themselves. From experience this message really takes a lot of getting across. The process we developed to encourage full “buy in” and ownership was by creating the following organizational values and practices:

- Management team to develop broad values.
- Working party established to flesh out values, practices and behaviours.
- Tested on mixed groups in the organization.
- Published to whole organization for comment.
- Presented back to management for agreement.
- Launched with implementation plan.
- Reviewed to ensure continued relevance to the business by working group and management team.

It would have been easy to relax at this stage and do as many others have and just launch a glossy brochure. However, to be of value the process needed to be followed through, and it was agreed to launch the next phase to implement the values. A programme was designed with the aim of establishing the importance of the values and practices and giving people the chance to assess themselves against them. To keep the theme of leadership it was agreed to call the programme “Leadership for Profit” and was designed with approximately half a day on each value on workshop 1 with workshop 2 involving thorough reviews of action plans and long-term support skills.

Workshop 1

Day 1 comprised:

- Background to the programme.
- Introductions and ground rules.

- Understanding the values and behaviours.
- Developing teamwork.
- Receiving the feedback.
- Review of learning.
- Visiting speaker.

Day 2 covered:

- Looking to the future – vision building.
- Understanding the implications.
- Innovating for fun.

Day 3 consisted of:

- Innovation and project planning.
- Building trust.
- Action planning.

Workshop 2

Day 1 included:

- Reintroduction.
- Reviewing action and project plans.
- Counselling skills.
- Developing the skills to challenge.

Day 2 covered:

- Group work on the personal challenges.
- Flexible programme.
- Action planning.
- Support group planning.

During workshop 1 every manager received feedback on their performance against the practices and behaviours. For many this was a painful exercise but, even for those who found it hard, it was seen as a vital part of the programme's success. So often people are performing in a "feedback vacuum" and any data, however critical, are really valued. We designed a process to take people through the feedback in such a way that they always ended up focusing on the positive things they could do with it. We designed a questionnaire around the values and behaviours and then the participants sent out 11 copies (one to their boss, five to reporting staff, five to peers or/and customers) prior to the programme. These were collated and averaged to maintain anonymity and presented on the course graphically and numerically. As the programmes progressed more people arrived, having seen their data because respondents had volunteered to show them and had used the opportunity to provide face-to-face feedback. The increase in the amount of feedback delivered in the organization has been a major success of the initiative and has spawned many actions.

Workshop 1 also included sessions on innovation, vision and trust relating them directly to the values, behaviours and the feedback. Each session focused on action and a key question often posed was "what are you going to do about it then?" The session on innovation also produced practical projects that the groups made happen back at the workplace. For example the preparation of sales aid packages; development of an induction programme for the division; building closer ties with universities, etc. We also included a session on the fun value and learned in doing so just how important a value it was to the majority of people. There had been great deliberation about whether to include this as a value but the session was mentioned by many as a key stimulus to their personal change plans because it had reminded them how over-serious everything had become and how an appropriate sense of fun at work increases motivation and commitment.

Workshop 2 focused on reviewing individual and project group actions with the key "new" skill development being simple counselling/coaching skills. Our view is that most people in organizations do not manage change but have to learn to cope with, survive and adapt to it. Our job as consultants has been to place processes and methodologies into the organization to assist the people to do this. We have found the Egan (1982) helping model of counselling to be particularly valuable here. Egan's theory is very practical, well "grounded" and, most importantly, makes sense to the business people we work with. It is not seen as too "psychological". The current climate in organizations requires people to have the facility to be listened to if they are to continue to function intelligently in the face of huge amounts of turmoil and chaos. Unfortunately we are still only just learning the true value of this and many organizations still see it as the soft option rather than critical to their health and fortune.

Supporting strategic interventions

It was agreed also that other mechanisms were needed to help to embed the change programme. The performance management system was overhauled to include a review of how people were performing against the values. There were posters and a marketing booklet produced and the change process was launched at a conference for the whole division. At this conference, which was prior to the leadership workshops, people were asked via a push-button response system how important each of the values was and how well the department was doing in living to them currently. Not surprisingly the answer was that all the values were important but that few were really being lived. However, PROFIT was becoming a part of the language of the organization.

It was realized that it was crucial to keep the impetus going with the top team and so regular events were held for them to review progress generally as well as their progress

as individuals and as a team. As in all organizations it is important for the most visible and senior people to be seen to be modelling the behaviours – “if they aren’t doing it, why should we?” People are often keen to look upwards for signs of change as opposed to starting with themselves. It is also recognized by the authors that it is often more difficult for the people at the top of an organization to make the changes. They often feel as if they have more to lose as they have done well under the old way of behaving. Also it is often the case that they have been “conditioned” for longer and find it more difficult to change – this is not at the conceptual or academic level where most can accept the change but at the behavioural level.

However, support from this level is key in that when the going gets tough the impetus must be kept going by this team. It is so easy to slip back to “old” ways when the pressure is on. Naturally, during the course of this programme this happened but we were fortunate in that the responsibility for keeping the impetus going was shared by the director as well as the externals.

The Leadership for Profit programme has become a symbol of the changing culture and people are still keen to attend after the second year of its run. It is true to say that the vast majority of participants report considerable benefit from attending at both a personal and organizational level. From the organization’s perspective we know that approximately 80 per cent of each individual’s action plans were successfully completed. Again this may be a common claim from many programmes but the practical nature of all the plans did impact on the business as well as the culture. It was also interesting to hear comments from managers who had not attended about changes they had noticed. For example one manager had noticed a considerable difference in meetings he attended – people were becoming more open with information as well as offering more support to one another and not competing. It was also reported that many of the barriers that had existed between the office in Hemel and the newer site in Livingston had been removed as a direct result of people getting to understand one another fully on the programmes.

However, there were some “casualties” of the programme. Not that anyone lost their job. What happened on the programme remained confidential but some people (a handful from the population of 100) struggled with the openness and personal nature of the vision-building sessions. However, everyone who attended completed the programme and undertook an action plan. They were also given support by other participants and tutors back in the organization. One of the very visible impacts of the programme was that several participants did change the route of their careers. These were managers who decided that their skills and preference were more suited to technical roles and they created new opportunities for themselves. Salary scales were investigated to accommodate such moves and definite changes followed.

This has opened the door for others who felt that the only career route open to them was up the managerial ladder.

Learning

During the five years this process has so far evolved we have learned a great deal. A key piece of learning for us as consultants was that we had to adjust to the changes influencing the organization as adeptly as the people in the organization. For example, there were inevitable job losses as the business looked to improve its internal cost situation. Some of those leaving were friends and supporters and it would have been easy to act on the feelings of sadness and frustration that these things happen in today’s environment. It was not easy, but vitally important that we remained optimistic for those in the organization. This did mean practising what we were preaching and making sure we gave and got the necessary support to deal with any negativity and uncertainty and not just try to ride over it which is the easy option in the short term. Another part of our continuous learning has been to listen closely to the client and to be prepared to be flexible – to move forward as the organization has been able to rather than at the speed we would have liked.

Indeed, one of the key elements contributing to the success of the whole programme has been that for many people it has helped them establish a more optimistic and hopeful view of the future than before. That is not to say, by any means, a blind optimism, but a sense of realism that things can be improved even in these tough times, and that they can play a real part in bringing about improvements. In turbulent times having a more constant and consistent set of values can help to provide the stability that so many people seek. Of course, that hope and optimism get dented and bruised daily in the workplace – it is unrealistic to expect that they will not. However, the series of “shots in the arm” and “support group” activities, together with a common belief at the top that the programme should never end (although it is always evolving) help to change the belief that a one-shot programme or training course is the answer. It never has and never can be, despite the claims of many purveyors of solutions and the naïve dreams or beliefs of otherwise hard-nosed business people searching for miracle cures.

We would also like to challenge any view that the consultants/facilitators need to be distant or above the process. Indeed, important feedback we have received is that our doing the exercises, trying to model the behaviours (and failing on occasion), has encouraged many participants to get on board and have a go too. On some programmes we were chastised if we opted out or sat on the sidelines.

While we have shown our struggles we have made sure to strike a balance between being fully involved and making sure the prime source of our attention was on the

participants and not ourselves. We have also regularly received feedback that our relationship, as two men working side by side in co-operation and not in competition, has inspired many people to improve their own relationships both inside and outside the organization.

All of the programmes have been staffed by a mixture of external consultants and internals. The line manager trainers involved have valued the experience and have stated that it has benefited them through having to be more aware of “modelling” the behaviours both on the programmes and back at work. The participants have also remarked on the importance of having the line managers involved to help break down the distance between the levels of the hierarchy.

We have also implemented most of the programmes “on a shoe-string”. They have not been expensive, elaborate affairs; rather quite low key venues that have been functional. Again this has sent out a message consistent with the struggle most people are facing – tight budgets and cost constraints being the order of the day for many. It has also, however, sent out a message that despite the need for restraint the company is very serious about this work and that it is not a one-year wonder. We are now well into year four and are planning the next phases. Interestingly, these programmes were designed and operated independently of the broader UK company. A conscious decision was taken to start where we could and trust that other parts would become involved when it was seen to be a success. In fact the startling success of the programme attracted the interest (and initially some hostility) of other parts and work was done to develop a set of company values. As we write, these have been expanded to include practices and behaviours and a programme has been designed to deliver them to the whole organization. This inevitably has built on PROFIT and once the company programme is established PROFIT will be fully integrated with it.

The work we have done has uncovered the huge amount of pressure with which individuals struggle, more often than not, in isolation. Our interventions have enabled this to be shared and have made a dramatic impact on the level of energy and initiative subsequently available for individuals to direct towards developing the business.

Conclusion

With hindsight, we can see that, in terms of the typical change model, Leadership for Change was about the

unfreezing process, whereas Leadership for Profit has been about refreezing. However, there is always likely to be a thaw and our job is to respond flexibly to the needs of the business and the organization to ensure the work we are doing maintains its relevance while keeping up the momentum. In the current economic climate this has meant some slowing down of the pace at which we were aiming to take the next steps at a company-wide level. This is frustrating for all concerned but the agenda for change is still there, albeit slightly delayed – the process of change is always messy!

The overall programme has had lots of down times and has not been without its critics. At such times it has been crucial to drive things forward. The commitment and determination of the director and his encouragement to us all to keep things going have been vital. As has been well documented by other writers it is at such times when, after the initial excitement and gloss have worn off and vanished, typically people turn on the implementors of change and launch attacks. Nothing so dramatic has happened yet – perhaps because we have managed to head off such possibilities. At times it has felt as if we have been flying by the seat of our pants. In looking back we probably did not allow enough time for reviewing our actions and thinking about our plans. The balance between being cost-effective and reviewing activities is a difficult one to manage.

It has also been crucial for us to accept setbacks and disappointments as inevitable and not to let them overshadow longer-term objectives. We have remained close to the business and ensured all our interventions have been practical and action-oriented. We have made mistakes. It is not always possible to avoid the organization's politics or game playing. However, it is crucial to be aware of them and not to collude with them.

There is still a great deal of work to be done and it is doubtful whether such work can ever be finished as it must evolve with the changing environment in which today's businesses operate. However, it is crucial to be on the path towards the vision of a fully integrated customer service if the company is to prosper and flourish. Keeping up the enthusiasm and energy to change and evolve an organization's culture is, by nature, a continuing activity.

Reference

Egan, G. (1982), *The Skilled Helper*, 2nd ed., Brooks/Cole Publishing, Pacific Grove, CA.

