

PART I

Changing Organizational Culture

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CHAPTER 1

Organizational Culture

This book is about changing organizational cultures. The concept of organizational culture, which for reasons of brevity from now on is simply called ‘culture’, is hard to define. This difficulty partly stems from the wide and diverse use of the term culture, partly also from the fact that most of culture is hidden from the eye of the beholder, like the proverbial iceberg of which only one tenth sticks out of the water. That is why in this book I follow the logic of the biblical saying that one knows a tree by its fruits. To fit with this metaphor, one can say that culture produces the everyday reality of an organization. This everyday reality is, at least in principle, open for inspection to anybody who is interested. Everyday reality is also a central concept of the book. Though this may recall the story of looking for a lost object under a lamppost – not because we have lost it there, but because there is at least some light – everyday reality is also central to my conception of culture.

What does the everyday reality of an organization consist of? Everyday reality involves what happens in the organization and what its stakeholders do and experience. By stakeholders I mean not only the members of the organization – i.e. the employees, managers, owners and shareholders – but also the clients, suppliers, the government and other involved parties. The everyday reality not only entails members’ recurring activities, their routines, but also matters such as the premises and layout of the organization and the common reality stemming from those, with the blueprints they offer for behavior, perception, thought and feeling.

Though the actual forms of such an everyday reality have come about in somewhat coincidental ways, the result is a highly predictable way of doing things in a familiar setting. Everyday reality proves to be a solid and relatively stable shared reality, in which the organization’s members can firmly believe, without any need to question that belief. All in all, everyday reality boils down to people doing normal things in normal surroundings. Other possible approaches have never developed, simply because the original approaches were good enough: they apparently worked, and something can take only one form at a time. The organization’s members just keep on enacting the everyday reality’s forms, as if their routines represent the only possible way to do things, making the everyday reality even more solid in the process. By acting in this way, the organization’s members actually make these routines the only possible way to do things: a typical case of a self-fulfilling prophecy.

This coming into being of an everyday reality, and of the culture as a whole, can be compared to how a river evolves. By running in a certain direction, determined by the law of gravity, the water makes its own bed, determined by the interaction of the height and hardness of the soil and the forces of gravity acting on the water. Once a river bed has come into being, it determines in its turn the flow of the water, in this way preventing other river trajectories from coming into being. The river’s coming into being does not mean

that the flow of the river cannot be changed any more, but it does mean that the actual form the river has taken is a more or less independent factor in its further development. Elsewhere (Maturana & Varela, 1980) this is called 'autopoiesis', a state resulting from a self-organizing system (de Bono, 1990). This parable shows us that culture cannot be changed without taking into account the culture's development up to now: a culture can further evolve, but cannot at will be replaced by another culture.

Culture can be studied from the perspective of the functions it performs, as well as from the perspective of how it is structured. In this book the functional and structural approaches are integrated into a single, innovative model.

The first approach – that is, the functional approach – studies what a culture wants to attain and how it goes about accomplishing this. Essentially, such an approach sees culture as the ways in which the organization survives and flourishes by solving its recurrent problems. As is to be expected from a functional approach, these problems stem from the organization's reason for being there or, put differently, its goals. The functional approach to be used in this book is the RACE model, RACE being an acronym for Reason for being there, Adaptation, Coordination and Everyday reality. The RACE model actually came about by accident. I developed it unknowingly, mistakenly thinking I was describing Parsons' Adaptation–Goals–Integration–Latency (AGIL) model (Parsons, 1960), as it had been – completely correctly – described by Iva Embley Smit (Schabracq, 2006; Smit, 1997). However, my mistaken model suited me fine, especially as it proved to be very applicable in a practical context, and after some deliberation I decided to change some terms and stick to it.

The second, or structural approach, not surprisingly, studies how a culture is structured, its architecture so to speak. For the structural side of culture, I turn to an adapted version of Schein's model. Schein (1985) distinguishes four 'layers' of organizational culture, namely forms, mythology, rules and norms, and assumptions. Each of the successive layers is further removed from awareness than the previous one.

My approach here is that Schein's layer of forms – that is, the surface layer of actual behavior and artefacts – is incorporated into the 'everyday reality' of the functional approach, which also involves the experiential sides of the forms. The integration of the functional and structural approach is then based on the fact that both approaches share the 'everyday reality' level. All seven concepts are described – and adapted – in the following sections.

REASON FOR BEING THERE

An organization must have a sound *raison d'être*, a purpose, a legitimate reason for being there. The reason must have importance and meaning inside as well as outside the organization. A valid reason for being there integrates the goals of the organizational members with the needs that exist in its environment in a non-zero-sum way; that is, in a way that benefits all parties involved (Wright, 2001). It gives meaning to the organization and the work of its members. Such a reason, or mission as it has been called, can be explained in a mission statement. In addition, an organization can develop a vision, a representation of the future that the organization sets out to realize within a certain time span, for example a period of five years.

Handy (1994), writing about the search for meaning in organizations, came up with what he called the three senses: the sense of continuity, the sense of connection and the sense of direction. Each of these senses adds to the organization's meaningfulness, as well as to

the importance of being part of the organization. The sense of continuity is the idea that the organization contributes to something that goes beyond our life, something that is also valuable to those who will live after us. A beautiful example here is contributing to building a cathedral, which takes several centuries to finish. The sense of connection concerns belonging to the organization, the options it offers to its employees to be a real member of it, being at home at their work and being part of the community of the organization. The sense of direction, lastly, refers to a cause, a purpose beyond ourselves, making the world a better place. All three add meaning to working in an organization; only that is, of course, to the degree that they can be realized there.

When one thinks about improving an organization, it is always interesting to ask oneself what part these three senses play in that organization. Of course, for many organizations the full realization of these senses may be highly utopian, unrealistic and even an occasion for a good laugh. Still, these senses show us directions for potential improvement. Besides, aren't utopias the carthorses of reality?

A valid reason for being there provides the organization and its members with a clear direction and definite goals or objectives. Without such direction and goals, the organization and its members are in big trouble. In practice, almost all organizations do have goals, though they could be clearer and stronger. An organization without goals does nothing, or does something that nobody notices or finds important. Such an organization will not be able to get sufficient support from its environment, while such an organization will also have a hard time motivating its members. As a result, it cannot continue to exist. This does not only apply to organizations, but to individuals as well.

At the individual level, losing goals affects vitality, just as it does in organizations. As such, goals are a crucial condition for staying alive. According to Frankl (1978), setting goals and sticking to them is a matter of taking responsibility. However, put in Frankl's own words, goals are not only a matter of what we expect from life, but also of what life expects from us. Absence of clear goals implies sterility, its essence being uselessness, described by May (1969) as living in the land of the dead. Frankl's and May's statements also apply to organizations.

The reason for being there is essentially laid out and shaped by the founding fathers, or mothers, of organizations, to whom a mythical status has gradually been ascribed. The leaders who devise and implement important changes in the reason for being there are also made to be quite special. It is as if laying out or changing the reason for being there is something heroic, the outcome of a hero's journey: a hero who goes out there, has all kinds of adventures and slays a few dragons, to return with a treasure that will change the fate of the organization (Campbell, 1988). However, not all leaders are heroes. Put more strongly, hero-leaders are relatively rare. Most reasons for being there are handed down by previous leaders and many, if not most, organizations have only a vague idea of why they exist, and what they want to accomplish.

In the case of a new organization, its reason for being there may be still under development, but in most cases the reason for being there is treated as a datum, something that already exists and does not require special attention. However, this reason does need to be articulated and possibly even adapted. This articulation involves questions that the leader and the top of the organization have to ask themselves and each other: What are we actually doing and for what reason?

Another issue is that, when the reason for being there is valid and well established, it still must be shared by all the other members of the organization as well. This sharing is

far from self-evident, particularly when those at the top of the organization want to adapt the reason for being there. If the sharing is not realized effectively, meetings at all levels are required. In these meetings, what exactly the reason for being there implies for that level and that specific department can be determined. This customizing of the reason for being there to all levels and departments implies that everyone involved can influence its final form. The idea behind this way of customizing is that this kind of influence generates commitment to the reason for being there.

On the one hand, the reason for being there involves what the organization wants to accomplish for the outside world, such as manufacturing certain products or rendering certain services; that is, providing something that the environment needs. These needs must be so essential that their fulfillment justifies the organization's existence.

On the other hand, the reason for being there is also concerned with the inner world of the organization; that is, with the organization's individual members. The reason for being there must make sense of and give meaning to what the employees are doing. To that end, their work must be sufficiently attuned to what they are best at and want to do. Ideally, the reason for being there also helps them to develop themselves, leading them into a promising future, on a journey of adventure and discovery, without jeopardizing their safety and well-being, giving their work a self-evident and logical line of action.

As long as the organizational goals are aligned with the goals of its employees in the ways implied above, organizations can concentrate on what they are good at, resulting in products and services that clients want and need. If they succeed in that, the way in which they do it is usually difficult for the competition to copy. Prahalad and Hamel (1990) speak of core competencies in this respect.

All in all, an organization's reason for being there is a matter of the degree to which the organization succeeds in doing something that is attractive and self-evident to all parties involved. This also implies, of course, that the goals in question have to be in line with the law and the prevailing ethical norms. The discussion so far leaves change agents who want to optimize the organization's reason for being there with the following 'reason for being there' rules of thumb:

- Try to define core competencies together and let the members of the organization devise the best possible products and services stemming from these competencies. Let them try to innovate, create and develop (Prahalad & Hamel, 1990).
- Learn about the needs of clients and potential clients that the organization's products can fulfill. See the world through their eyes and make this the guideline for forming new alliances. Find out how you can improve the added value of these products for them in terms of quality, delivery time, price and service (Hammer, 2001).
- Think about the longer term (Handy, 1994).
- Think also about the greater good the organization can realize in this way, the cause it can serve (Handy, 1994).
- Learn about the needs and goals of employees, and determine how all of the above contributes to the fulfillment of these needs and goals. Examine as well how employees' satisfaction can be improved.
- Encourage the development of employees, not only by formal education and training, but especially by learning from experimenting and taking risks.
- Point out the necessity of errors and transform these errors into learning experiences.

To the degree that we identify with the organizational goals, these goals provide a focus for what we do. The goals then more or less automatically gear our skills, creativity and effort to achieving the future state that they imply. In the old French literature of suggestion, this mechanism is described as the ‘law of unconscious intentionality’: once a goal is accepted, finding and adapting appropriate means happen in subconscious ways (Baudouin, 1924). Because most work does not consist of reinventing the wheel, identifying with such a goal induces us to go automatically through a string of familiar situations, each with its own well-known outcomes. These situations can then be conceived as sub-goals on the road to full goal attainment. In this way, these goals help to organize our life in the organization. Outcomes of this way of organizing our life are that we know exactly where we are in the course to goal attainment and can feel at home in these situations. Such a string of familiar situations can then evolve into a pleasurable comfort zone.

This means that a change of goals implies finding and selecting new strings of situations and activities, as well as leaving behind the old sequences. Since we have invested a great deal in appropriating the old way of working, we often are not overly eager to switch over to a new one. Moreover, our assumptions – which will be discussed in more detail in Chapter 3 – limit the range of our possible goals. Some goals are simply not compatible with our assumptions. Goals that are incompatible with our assumptions cannot be part of our everyday reality, and cannot be easily achieved. Accomplishing such goals in any case then demands that we adjust our assumptions. However, we are not overly eager to adjust these assumptions either, even when we are conscious of them, which usually is not the case. In addition, adjusting assumptions has its limits. We can develop our assumptions, we can extend and enrich them, but it is very hard to eradicate them fully or to change them at will. Consequently, goals that go clearly against our assumptions are not likely to be attained.

Nevertheless, changing or adapting goals is the royal road to a change of culture. First, goals that lie outside the scope of our assumptions are an important way to surface our – mostly tacit – assumptions. Becoming aware of our assumptions is a necessary initial step in adjusting these assumptions and, in that way, our reality. Goals can have this change agent function because they are much more explicit and accessible to our awareness than the more structural characteristics of culture, such as our assumptions (see later in this chapter).

Moreover, as goals point by their nature to the future, they refer by definition to something that has not yet got a form. This means that goals are actually much less fixed than assumptions. In principle, goals can take the form we want to give them. Another point is that envisioning a good future can be very motivating for attaining goals. Envisioning a good future is an effective technique for bypassing the initial resistance to change that is often triggered by having to occupy yourself with a problem. Envisioning a good future is also one of the critical components for success in solution-oriented coaching (see Chapter 6).

In developing an appropriate organizational mission, promising personal visions may actually provide a good point of departure. The next step then is aligning these personal visions into a shared organizational vision (Senge *et al.*, 1994) within the context of a real dialogue or work conference (see Chapter 5). This can be a very effective approach. Lastly, in Chapter 6 a number of criteria and tests are described, which we can apply to make a goal more realistic, worthwhile, effective and efficient.

This does not mean at all that such a form of cultural change is easy. In fact, it usually is not easy at all. However, it does mean that, at least in principle, cultural change is possible, and that goals can serve as a pull factor here.

ADAPTATION

Logically speaking, every organization has an environment. Adaptation refers to the success of with which an organization interlocks with that environment. Most of the time, the environment is not so much a matter of physical surroundings as of the relevant people and institutions. Adaptation then entails effectively attuning the organization to the different stakeholders outside it, to achieve the organization's reason for being there by setting and attaining mutual goals with them. The attuning involves clients, but also suppliers, shareholders, fellow organizations in the trade including competitors, the government and its rules, neighbors and the surrounding community at large. Such interlocking should be a non-zero-sum game (Wright, 2001) for all parties involved.

If everything turns out fine, adaptation is a two-way street of giving and receiving. The environment provides the organization with all it needs to survive and flourish. This involves an appropriate location, sufficient safety from outside threats and the right quantities of resources in general. Moreover, if everything works well, the environment also provides the money to pay expenses, make a profit and grow.

To survive, flourish and grow, an organization must make itself an attractive, easily accessible, affordable and self-evident interaction partner to all stakeholders. Becoming such an interaction partner means earning and guarding trust, respect and prestige. To this end, one needs to know all the stakeholders well. What do they need? What do they want to know from the organization? Relations with suppliers, for example, can focus on quality, price, work flow and delivery time. Partnership means building stable relationships with each of these parties, resulting in mutual trust and loyalty (Reichheld, 1996). Consciously managing contacts with these partners and making employees thoroughly aware of the relevance of doing this then become important tasks.

As organizational environments have become more turbulent and variable (Schabracq & Cooper, 2000), adaptation has more and more become adaptation to change. This kind of adaptation requires creating an early warning system for change, involving all employees and especially the ones on the front line. The interview techniques described in Chapter 6 can be used for this task. The idea is to make employees into detectives or journalists. Let them develop a deep insight into all stakeholders, especially the 'end clients', as they are the ones who pay for everything. Let them dig up information about what the clients and the competition find new, interesting and exciting, about the changes they want and foresee, as well as what they think the organization can do best in this respect. Specify to the employees what you want to know. The next step then consists of bringing the information together, as well as categorizing, analyzing and interpreting it so it can be acted on. The last step is making sure that the insight gained is actually used in the intended way. Monitoring and operating this system should be a well-managed process (Hammer, 2001; Sun Tzu, 1993). In some cases, using the insight gained can mean that the organization has to change itself in a radical way.

Adaptation can also consist of narrow cooperation with clients and other stakeholders. An example is making accounting a joint operation with customers, such as banks do with their cash machines. Though many people don't realize this, we are actually doing the bank's accounting when we operate their cash machines to take out our money in the rain. The same applies to banking by internet. Another example is sharing distribution channels, shops and storage facilities with other companies in different trades. In this way, all parties can move products in relatively small quantities at a low price, which usually is exclusively reserved for bigger quantities. Still another form is involving the organization in the product

development and production processes of its suppliers, distributors and clients, for instance by temporarily seconding its employees to other companies, or having employees of other companies seconded to it in their turn (Hammer, 2001; Schabracq, 2003c).

Adaptation can also be a matter of joining forces in one production chain with other organizations. Each organization then can take care of that part of the production chain at which it is best. Joining forces in one production chain enable each organization to serve the end customer in the best, cheapest and quickest possible way. Of course this joining of forces must be well managed, so that it is not overly liable to coincidences and is independent from improvisation and unusual performance, a process from which all double work, for instance in accounting, is removed (Hammer, 2001).

Another issue in adaptation is how to deal with competition. In addition to competing with other companies, you can use them as a source of information. For example, ask customers about the strong and weak points of the competition: one can always learn from one's competitors (Hammer, 2001). When there are mutual interests, cooperation and alliances, temporary or permanent, are definite possibilities. Often realizing these possibilities demands that assumptions on both sides are adjusted. Examples are the possibility of complementing each other and sharing facilities, increasing market share in this way, as well as preventing a third party from becoming too powerful. Sometimes it may just be a matter of disrupting or preventing another alliance that threatens the organization's survival (McNeilly, 2001). And last but not least, the competition is always an incitement to do better.

All of this leads to the following 'adaptation' rules of thumb:

- Know the organization's stakeholders well.
- Make the organization a self-evident, respected and reliable partner for all stakeholders. Make it pleasurable, easy, affordable and lucrative to do business with the organization. Determine what the organization can do for its stakeholders, as well as what the stakeholders can do for the organization in this respect.
- Determine how the organization can better attune its information system and production process to the needs of its stakeholders, and make this the guideline for forming new alliances.
- Try to broaden the organization's scope: there are many more possible stakeholders out there.
- Monitor relevant change and respond to it appropriately.

COORDINATION

Coordination refers to organizing all the activities of departments and individual employees within the organization in such a way that the reason for being there and an appropriate adaptation to the environment can be realized. The need for coordination stems from the trend toward specialization, which results in role differentiation. Such a trend is inherent in the development of organizations. Coordination is then about staying aware and taking care of the interconnectedness of all contributions, to optimally serve all stakeholders, especially customers. For the employees good coordination means that they can work effectively and pleasantly, and changes can be implemented smoothly.

Coordination ideally leads to integrity; that is, to acting as a whole, as one organism, focused on bringing about the organizational reason for being there. Coordination is creating the conditions for synergy, the generative principle underlying cooperation, which gives

the outcomes of that cooperation a surplus value that goes beyond the sum of the separate contributions of all the individual participating parties. In short, synergy is the outcome of a non-zero-sum game (Wright, 2001), this time within the organization. To bring about synergy, everybody involved must understand the reason for being there and the necessary adaptation, as well as how one's own work relates to that. Essentially, it is a leader's task to coordinate all the related processes and to safeguard the resulting coordination. This can be done by systematically asking questions such as:

- What are the effects of what you're doing for your colleagues in different departments?
- And what are the effects for the client?
- And for the organization as a whole?
- What improvements can you bring about in these respects?

As emphasized elsewhere in this book, asking the right questions and using appropriate interviewing and listening techniques are crucial leadership skills. In Chapter 6 this subject is discussed in more detail, while Chapter 8 provides accompanying exercises.

Apart from the overall synergy, outcomes of coordination are a smooth work flow and the prevention of needless divisions and fruitless conflicts stemming from pursuing departmental and individual interests. Of course, the other side of integrity – the ethical part – is an issue here as well. Not letting one's own interests prevail over the common good is after all a clear ethical consideration. However, ethics plays an important role in every aspect of culture. In practice, coordination can be helped by clarifying and adjusting the mutual expectations of departments, as well as of individuals, aiming at a smooth work flow and a pleasurable work climate, in which all involved will help and support each other when needed.

In order to achieve coordination, the following 'coordination' rules of thumb are important:

- Pay sufficient attention to what goes on in the organization and avoid being focused exclusively on the outside world. Make sure that you get all the information you need. Ask everybody involved questions, explain the necessity of that information, make people responsible for sharing relevant information with you and make it a two-way process.
- If possible, establish co-management (Schabracq, 2005a) or team leadership; that is, divide the leadership role between two people or over a whole team. In this way each issue can be dealt with by a specialist within the team. In co-management coordination tasks are typically given to one of the two leaders. Such an approach demands a kind of 'constitution' for collective decision making to be followed, focusing on the interests of the whole organization and all of its stakeholders (Schabracq, 2005b). This presupposes that everybody knows what they can expect from all relevant others.
- See to it that people find out how to collaborate and communicate, and emphasize the greater good of the reason for being there. Offer them training programs on these issues (see Part II). Reward good collaboration and communication.
- Help to create a climate that fulfills the organizational members' need to belong. Create possibilities for mutual social support; that is, a climate in which there are possibilities for emotionally supporting each other, actual help, information exchange and building relationships.
- Improve coordination between departments and organize based on end-to-end processes. For example, improve coordination between independent strategic business units. Try to

provide the external client with one interface, as well as with shared service centers and standardized approaches (Hammer, 2001).

- Don't let work be needlessly dumped on other departments. Take care that departments and individuals communicate properly about expected work flow effectively and habitually. Solve inter-group communication problems and address stereotypes and prejudices.
- Solve constraints in the end-to-end process and focus each time on the main constraint (Goldratt, 1990), such as bottlenecks in equipment, information or human resources.

EVERYDAY REALITY

The joint realization of the previous three functions (reason for being there, adaptation and coordination) results in a self-evident everyday reality. This everyday reality more or less coincides with Schein's layer of forms; that is, the physical layout and design of the organization, as well as the personal appearance and behavior of its members, with its standard routines and approaches. The forms that make out everyday reality are, at least in principle, open to inspection, though usually nobody inspects them. As long as these forms are properly displayed and do not deviate too much from the norm, the members of the organization do not pay much conscious attention to them. When the members are fully socialized, the forms are just experienced as self-evident parts of reality. This is also why I incorporate Schein's layer of forms in 'everyday reality'. The main difference between Schein's forms and everyday reality is one of degree: everyday reality encompasses the experiences of members and onlookers, while Schein's layer of forms does not. We are talking about a difference of degree here, as the forms essentially presuppose a perceiver as well.

The self-evident forms or everyday reality provide the members with a multitude of cues signaling what is happening (the play), the ongoing activities and their integration (the roles in the play and their interaction) and where they are in the play (the scene and the lines). These cues enable others to display the appropriate behavior, which in its turn provides cues for the next step. So one's posture and movements give proposals to enact a certain situation and relationship, as well as directions for how to proceed from there (Schabracq, 1991). Though these cues are in principle completely open to inspection, they are hardly perceived as proposals and directives. They are just automatically being acted on.

This everyday reality essentially consists of non-problematic routines, habitual ways to respond to the permanent or recurrent demands resulting from fulfilling the three above-mentioned functions. This is a characteristic of all cultures: providing recurrent solutions for recurrent problems. People continuously re-enact, re-construct, re-cognize, re-present and re-cite the forms and meanings of culture (Moscovici, 1984) and abstain from other possibilities. People even re-create themselves. Much of the repetitious character of all this activity stays out of awareness. Though essentially a never-ending form of hard labor – a real Sisyphian task – we just do it, do not pay attention to other possibilities and ignore the fact that we do not pay attention to these other possibilities. So we create a reality that provides stability and continuity, as well as normality and perceived safety. To the degree that this is effective, we can lose ourselves in our work without being needlessly distracted and disturbed, blissfully ignoring all the trouble involved, while everybody knows what they have to do, what they have to attend to and whom they must involve in it. A more extensive discussion of this phenomenon is to be found in Chapter 3.

If this self-evident everyday reality is not realized, the functionality of the organization and the effectiveness of its members diminish accordingly, and stress and alienation ensue. Of course, stress and alienation are undesirable, but they also serve an important signalling function. They clearly indicate that something is wrong (Schabracq & Cooper, 2001): the culture apparently does not provide a proper solution here.

Everyday reality can be divided in five domains:

- the work itself
- the physical environment of the work
- the social embedding of the work
- the fit between the values and goals of individual employees and those of the organization
- the perceived safety of the work and its environment

In each of these domains disturbances can arise, which can be described as ‘too much’ or ‘too little’ of something that in itself is a good thing. These disturbances result in a situation in which the individual must do something that they cannot or don’t want to do, which results in a loss of control and effectiveness, as well as in stress and alienation (Schabracq, 2003a). This subject is further elaborated in Chapter 4.

Safeguarding the everyday reality in an organization is usually a full-time job. Nevertheless, many managers are more focused on the external world than on internal organizational affairs. As it is, managers are not really selected or rewarded for minding what goes on within the organization, and their own ambitions usually are also focused elsewhere. Appointing a co-manager, as discussed in the previous section, who is responsible for internal affairs, can be a solution for safeguarding the everyday reality as well (Schabracq, 2005a).

In order to realize a functional everyday reality, the following rules of thumb can be followed:

- See to it that jobs are challenging but workable.
- Make sure that the physical layout of workplaces enables employees to work effectively and efficiently.
- Create a climate of trust and pleasant contacts, which allows employees to belong, prove themselves and establish rewarding relationships, without being disturbing or too overwhelming. This is a matter of setting the example yourself and of correcting clear deviations.
- Take care that the organization’s values and goals do not deviate too much from the personal ones of the employees. Take care that the employees are in a position to guard their own limits.
- Create a good level of perceived safety in the work and its environment.
- Periodically assess the situation by observation and questioning, as well as by surveying variables such as work satisfaction, work stress, alienation and commitment with the help of (online) questionnaires, such as ASSET (Faragher, Cooper & Cartwright, 2004). Recognize stress risks as early as possible. Use stress reactions and alienation (apathy, indifference) as signals. Be alert to phenomena such as harassment, scapegoating and stereotyping. Break the taboo on talking about these phenomena and discuss them with your employees at an early stage. Know when to refer to or call in a specialist.
- Ask about problems, their causes and their possible solutions. See to it that people take responsibility for reporting problems and thinking about solutions, even when this does not seem to be their primary responsibility.

- Gather enough knowledge about a department's or team's past (from different sources!) and the problems that occurred in it. Find out who the opinion leaders are.
- Engage in sessions to gain improvements. Put problems consistently on the agenda and discuss these in a constructive way in work progress meetings, and in individual talks with the people with whom difficulties are occurring.
- Inform employees as early as possible in face-to-face interactions about any radical changes that are going to happen. Let them have an active say in the ultimate design of the change. Be alert for emotions triggered by change. Give bad news in such a way that you are there to deal with the emotions it may evoke.
- Know what to do in case of crisis and traumatic events (hold-ups, accidents, layoffs and so on). Give extra time and attention to employees who have experienced traumatic events, particularly to let them talk about these events.
- Keep in touch with ill employees, prepare their return to the department or team, and invest extra time and attention in them after their return.
- In times of reorganization and merger, discuss matters periodically during work progress meetings. Ask explicitly about rumors during meetings, and comment on these as openly as possible to prevent needless worrying.
- Assist and protect your employees and offer emotional support, if needed.
- Serve as a coach, who gives employees the room they need to function properly and really listens to them, even when their concerns are a criticism of you. Apart from creating the proper conditions, this implies a stimulation of self-steering and giving advice if necessary.
- Regularly interview employees about their individual activities and career and, if necessary, offer training, coaching or mentoring.
- Show approval for good performances and taking responsibility.

THE STRUCTURAL SIDE OF CULTURE

Mythology

As the layer of forms has been discussed already in the previous section, we start here with the layer of mythology. Every organization has a body of tales, notions and images, which Schein (1985) calls its mythology. The mythology gives the organization's members some principles regarding good and bad actions and characters in that culture. In this way it portrays the relevant virtues and vices of the culture. By setting examples, the mythology serves as a frame of reference. As such, it provides standards and guidelines for what to do and for what is normal, which consequently influences actual behavior. Moreover, mythology helps to give meaning to the behavioral forms and integrates them in a more or less historical context. The stories and images inherent in the mythology are of course open to inspection, but cannot be exchanged for other ones just like that. They are felt to be data from the past and the past cannot be changed. In this way, mythology has a stabilizing effect on the culture. Nevertheless, mythology can be doctored. New myths can be introduced, which seem to follow logically from the old ones, using intentionally the old forms and language, but which introduce in reality a new set of dos and don'ts.

Rules and Norms

Rules and norms shape organizational functioning more or less directly. The roles to be enacted or the plays to be played follow certain standardized formats, which are subject to sets of tacit rules and norms. These rules and norms make up the next layer of organizational culture, which most of the time operates outside awareness, though rules and norms are in principle accessible to reflection. Usually rules and norms only enter our awareness when they are openly transgressed. Harold Garfinkel (1967) has made purposeful transgression of rules into a part of sociological methodology, called 'garfinkeling'. Rules and norms take the form of 'if . . . , then. . . ' As such, they link the cues inherent in the forms to well-specified responses. They are the result of a long history of modeling and self-conditioning (Schabracq, 1991) and shape both mythology and the everyday reality. Mythology then can be seen as a set of stories that exemplify the rules and norms and the consequences of their transgression. By shaping and tending our environment and by automatically adhering to the proper behavioral forms – that is, by enacting everyday reality – we ourselves install these cues.

Assumptions

The deepest layer is that of 'assumptions'. These assumptions involve notions about what must and must not be attended to. Thus, they determine what is and is not perceived as real, and what should and should not be perceived as real, as well as what we should and should not occupy ourselves with. Assumptions steer our attention, focusing it on what is meant to be and ignoring what is not meant to be. So these assumptions lay the groundwork and set the limits for the rule system. According to Schein (1985), assumptions are not open to conscious reflection and are hard to put into words. As such, they are considered to be the most important factor in the culture's resistance to change.

The nature of Schein's assumptions remains somewhat unclear. How do we acquire these assumptions? Are they abstractions of the rule structure that develop later in life? I think not. In Chapter 3 this matter is discussed more extensively.

STABILITY

Both the functional and the structural approaches to culture indicate a number of factors that make culture a relatively stable and unchanging phenomenon.

First, there is the huge shared investment of effort and skill by all concerned in jointly enacting the everyday reality each time afresh. This makes one think of the punishments of Sisyphus and the Danaids in Tartaros, the Greek lower underworld.

As a punishment from the gods for his trickery, Sisyphus was compelled to roll a huge rock up a steep hill, but before he reached the top of the hill, the rock always escaped him and he had to begin again (Odyssey, xi. 593). The Image personifies Vain labor. (<http://en.wikipedia.org/wiki/Sisyphus>)

. . . the Danaids were punished in Tartarus by being forced to carry water through a jug to fill a bath and wash off their sins, but the jugs were actually sieves, so the water always leaked out. (<http://en.wikipedia.org/wiki/Danaids>)

Though both the hellish punishments and keeping up everyday are highly repetitive jobs, there is one important difference: enacting reality is not in vain at all, it works just fine; that is, as long as we are healthy. Executing these routines time after time has become part of us, and a self-evident part at that: these routines have become a part of our identity, which we don't want to give up just like that. Jointly enacting this reality each time afresh also implies a shared investment of a great deal of effort by everyone concerned.

We protect our investment. Why? Because this investment provides us with a valuable yield. By enacting everyday reality, we are able to be in the situations we have selected and do the things we want to do. As these routines are enacted without much awareness, we can keep their minds free for what we deem important. The fact that until now these automatic actions have done the job most of the time implies a powerful reinforcement for them. As this reinforcement is partial as well as random, the resulting responses are hard to extinguish (see for example Deese, 1952). In this way, we have created for ourselves a comfort zone, which provides control over our own functioning, some sense of quiet, avoidance of needless risks and acceptance by relevant others. Moreover, the comfort zone enables us to keep our mind free for what we find important, as these routines are enacted without much awareness. This mix of yields turns out to be a powerful and even addictive reinforcement for us doggedly repeating the forms of culture (McGraw, 1999; see also Chapters 3 and 7).

The tacit nature of the way in which we enact everyday reality in itself contributes to its stability as well. To summarize the different levels of culture, there is the tacit nature of the assumptions, rules, norms and the cue qualities of the forms, and there is the matter-of-factness or self-evidence of the mythology and the forms of everyday reality. All of these imply that we don't question what we are doing: we just do it, over and over.

As a result, we experience pressure to change our everyday reality as a violation of our identity, certainly when the changes are forced on us from outside. This may evoke stress reactions in us, involving all kinds of unpleasant emotions. Generally speaking, we prefer to prevent and avoid such a state of mind. At the level of the content of the change, we cannot know how things will turn out. This response to having to give up our familiar ways of doing things resembles the reactions of animals when their territory is invaded. Moreover, we are not alone in these feelings. We share them with many of our colleagues. It feels only logical to support each other on this point, which can make our resistance surprisingly effective and well coordinated.

Holding on to the status quo when we are confronted with forced change has been termed 'resistance to change'. This term entails a disqualification, intended to discredit this holding on activity. The term resistance is derived from psychoanalysis, where it refers to a more or less unconscious and certainly irrational form of resistance against the salutary influence of the analyst. Resistance to change has thus become a pseudo-clinical term for unconscious and irrational resistance against a change for the good. It is only logical that the term mostly comes from the mouth of change agents.

Thus many factors make organizational culture a very stable datum, which is hard to change at will. As a repertory of standard solutions to standard problems, it is only logical that a culture aims at stability and continuity. This is, after all, why an organizational culture is such an excellent provider of reality and normality for its members.

The effectiveness of resistance to change has led to the idea that culture cannot be changed at all in a preferred direction. References to organizational culture have even become a habitual excuse for avoiding the responsibility to intervene: it is just culture.

Support for this stance especially stems from structure-oriented ways of theorizing about organizational culture. Though the structure-oriented approaches have given rise to useful and pertinent warnings that cultural change is far from easy, these approaches have also led to an obviously counterproductive paralysis of all attempts to change culture.

In this book, I defend the notion that culture can be changed, though the change process will be far from easy. I will also demonstrate that the unconscious nature of much of culture can even be used to bring about intended change. Changing culture is best done when direct and indirect approaches are combined. Of the two, the latter is the more decisive. Essentially, this approach rests on principles described by Sun Tzu's *The Art of War*, a Chinese treatise probably from the fifth century BC (as elucidated by McNeilly, 2001), which teaches us how to win a war without fighting.

The matter of changing culture becomes urgent when there are obvious – that is, at least to external observers – flaws and lacunas in the culture. The same applies when the environment changes in a radical way, so that adaptive changes become a necessity for organizational survival.

FLAWS AND LACUNAS

The effectiveness of culture as a problem-solving device can be diminished by all kinds of flaws and lacunas. This can be a matter of goals that are irrelevant or counterproductive, insufficient adaptation to the environment or bad coordination. It also can result from a bad rapport between structure and functions. All these flaws and lacunas can interfere with an effective everyday reality. This can have negative consequences for the overall organization, as well as for individual employees who cannot work effectively any more. We will examine some of these flaws and lacunas a little more closely in the following paragraphs.

One flaw of organizational culture may stem from an incompatibility between what actually happens and what is said about what happens, a contradiction between the so-called 'theory in use' and the 'espoused theory' (Schon, 1983). The espoused theory usually heralds all kinds of morally and ethically correct views and approaches, while the 'theory in use', which actually determines everyday conduct, is much more down to earth and usually less ethically correct. As a result, the organizational culture creates difficulties for employees who take the espoused theory literally. An example is a hospital that advertises that it exists to give its patients the best possible care and treatment, but actually keeps its beds filled at the highest possible profit per bed. Such an inconsistency can cause problems for employees who came to work there because of their attraction to the espoused theory. This may seriously affect their effectiveness, and may even cause severe stress and burnout problems. This, of course, particularly happens in organizations that attract highly ethically driven personnel, such as schools, hospitals and churches (Cherniss, 1995; Maslach & Leiter, 1997).

Though solving problems more or less automatically is a basic characteristic of all cultures and has great positive outcomes, it also has a less desirable side. Once we have devised a feasible solution, we make it part of our repertory and do not question it any more. It is buried in a 'black box' (Usher, 2006). In this way, we often settle for 'just good enough' solutions. These solutions do the trick, though they are not optimal. However, they do not create a major constraint in the organization (Goldratt, 1990); that is, as long as other factors are more critical in this respect. The same principle also plays a role in biological

evolution. Calvin (1989) gives the following example of such a 'just good enough' solution. Ducks eat duckweed and because of that they have to be in the water for a relatively long time. To stay afloat they have fat glands under their wings, which allow them to make their wings fatty and water repellent with their bills. Cormorants, being very proficient fishers, are much more efficient in collecting sufficient food in a very short period. Thus there is no need for them to grow fat glands under their wings to prevent them from sinking, but then they have to sit for hours with their wings spread out to dry them. They keep at their just-good-enough solution until they get hungry, then dive into the water again. Turning again to organizational culture, good enough solutions can become a source of trouble in times when improvement and change become necessary.

Other flaws stem from the fact that each organizational culture, as a treasury of standard solutions for standard problems, also has its unproductive standard explanations ('It's a cultural thing'), solutions ('Just a matter of budget') and blind spots ('There is nothing wrong with that') (Argyris, 1983). These have their own rhetoric, which makes them sound as if we are talking about the effects of a law of nature that are 'really' too simple to explain. The blind spots involve certain problems, as well as certain options and solutions, which go against prevailing rules or assumptions. These unproductive standard explanations, solutions and blind spots especially come to the fore when something for which the organizational culture does not have an adaptive approach goes wrong. These standard solutions then are used to deny that things are going wrong at all. Their general logic is something like: 'There is no problem because there cannot be a problem. No, it is only a matter of . . . , and we just should . . .' As these reactions prevent 'real solutions' from being achieved, they can actually aggravate the problems of individual employees, who are bothered by such problems. As such, these reactions may lead to ineffectiveness, and they also put employees in a problematic situation without acknowledging its problematic character and therefore no insight into a solution. Unproductive standard explanations, solutions and blind spots are also used when the organizational culture is threatened by an imposed change.

Another flaw in the effectiveness of culture stems from the fact that the culture determines what we *don't* do in our organization, and also what we should not say, think and feel about it (Ryan & Oestreich, 1988). As a result, the culture determines – at least to a degree – what is impossible, unthinkable and unspeakable within the organization (Schabracq *et al.*, 2001). Consequently, certain solutions, approaches and policies are out of the question. This may even be the case when these are clearly the best option, not only to 'objective' outsiders but also to members of the organization who honestly are of the opinion that 'It is a pity that this is just impossible here'. Some options are even considered to be unthinkable. We are not supposed to put these into words – unless as a joke in bad taste – because they are incompatible with the organizational frame of reference. Lastly, there are the 'unspeakables': options we can talk about but only with reliable and familiar colleagues, and certainly not with those who can make a difference on this issue. As we are talking about the consequences of deeply rooted assumptions, doing something effective about impossibilities, unthinkables or unspeakables implies a serious change in the culture, which of course is difficult.

Usually, these mechanisms only become manifest or are felt if there is a serious problem in a particular area. However, even then they prevent us from dealing effectively with that problem. As such, these mechanisms can keep certain problems alive. Moreover, they also undermine the everyday reality.

Chapter 4 gives a more systematic overview of the different flaws and lacunas in an organizational culture, which there are taken as sources of ineffectiveness. It also provides a general approach for dealing with these sources of ineffectiveness.

CHANGE

Though by their nature cultures fight change, this can be a deadly course. The point is that fighting change may disturb the organization's adaptation to the environment, even though the occurrence of change in that same environment has increased explosively and still is increasing at an ever-accelerating pace. This is obviously related to the globalization of the economy and technology, and the enormously accelerated development of the latter in various areas. The other factors that usually determine the organizational environment – such as socio-cultural and political-juridical developments – can only follow and add to the turbulence (Schabracq & Cooper, 2000).

Many companies have only one option, namely adapting, as fast as they can. This means using the latest technological developments and attuning to the demands that such developments generate. It also implies other ways of working, producing and organizing. To employees, it means different contracts, permanent education and new ways of training and learning. Moreover, they are confronted with all kinds of reorganizations, mergers, management buyouts, outsourcing and so on. Though this of course does not apply equally to all organizations to the same degree, it has become clear that employees everywhere are confronted more and more with changes they did not ask for.

Albeit inevitable, these changes upset the effectiveness of the everyday reality, and its way of solving recurring problems in recurring ways. Moreover, the problems themselves change rapidly and need new solutions. The new solutions then have to be integrated in a new everyday reality. Though it is unclear whether this integration is possible at all, change has become the normal state of affairs in many organizations. We might say that this is an anomaly or even a perversion of our culture, but such a statement is not very helpful when it comes to adapting to this continuous stream of changes.

And here, we have arrived at the central theme of the book: how can we ever effectively change culture without jeopardizing the functionality of the organization and the well-being of its individual members? We have a few certainties here, though. First, effectively changing culture will never be easy. Secondly, there is no ready-made, one-size-fits-all approach. Thirdly, effectively changing culture without jeopardizing the organizational functionality and the individual organizational members' well-being can only be done by people of good will, who are willing to be very open to each other. And fourthly, and certainly not the least important, changing organizational culture always involves changing individual identities.