# Achieving successful Cultural Transformation in Organizations

**Madhuvizhii Jeyakumaran**

As Peter Drucker says "Culture eats Strategy for Breakfast". Culture has become the most important element of organizational success in the recent times. Many organizations are undergoing massive digital transformation and in addition have a unique set of challenges that demand a cultural change to survive in the market place. For instance, a need to be more innovative, collaborative, agile, customer-focused, compliant, values-driven, etc. Achieving successful culture transformation is therefore imperative to support & sustain operational success.

Despite this, most organizations/leaders do not understand what 'Organizational Culture' really means and therefore struggle with achieving the results that they hoped for as an outcome of a Cultural Transformation Exercise.

## UNDERSTANDING 'ORGANIZATIONAL CULTURE'

Among all the existing definitions, Edgar Schien's is the most comprehensive definition of culture. According to him, the basic underlying assumptions of individuals, specifically leaders, over a period of time shape the values and the values shape practices and behaviors, which indeed form the culture of the Organization.

Therefore, culture exists at 3 levels:
1. Artifacts (visible practices, behaviours, structures, rituals etc.)
2. Espoused beliefs and values (Conscious strategies, philosophies & goals that reflect opinions, aspirations, rules/standards)
3. Basic underlying assumptions (these are at the core of organizational culture and are experienced as self-evident and unconscious behaviour)
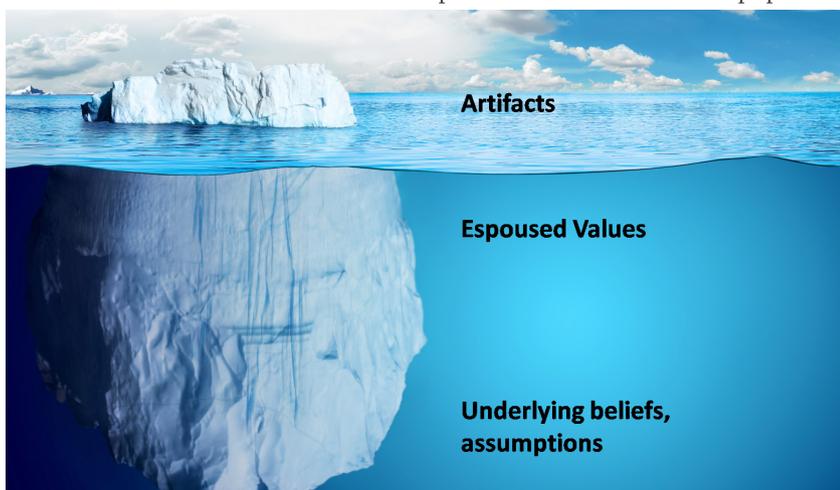
## ASSESSING 'ORGANIZATIONAL CULTURE'

This deeper definition of culture helps us understand why many Change Programs often fail - they only focus on the visible aspects of culture and do not address or challenge the basic assumptions or underlying behaviour, which is crucial to achieving sustainable transformation.

Therefore, while putting in place 'as-is' assessments and 'to-be' change measurements, it is important to define indicators at all the 3 levels. Culture Assessment Surveys, Leadership Discussions, Focus Group Discussions with Employees & Customers, Employee Engagement Surveys, Customer complaints, Exit interviews, etc are good sources of information on underlying behaviours.

## LEADERS ARE PARAMOUNT IN MOVING THE CULTURE NEEDLE IN THE DESIRED DIRECTION

Culture of an organization is created by the beliefs and values of key people - founders, leaders etc. If what leaders propose works, and continues to work, leaders' assumptions gradually come to be shared assumptions .i.e 'Culture' of the organization.



Artifacts

Espoused Values

Underlying beliefs, assumptions

| 1 | Define and communicate the end goal | 4 | Business and people processes should be aligned to act as enablers |
|---|---|---|---|
| 2 | Create a sense of urgency | 5 | Stand with them during the uncomfortable unlearning period |
| 3 | Reduce learning anxiety | 6 | Celebrating wins and use positive stories |

Hence, by the same logic leaders are paramount in disruption of existing assumptions and in moving the culture needle in the desired direction.

When an organization is going through change, it creates a lot of anxiety and psychological stress in employees, which is natural since their fundamental assumptions & values are under question. During the transition period, employees look up to their Leaders - what they pay attention to, what they measure & control regularly, where they allocate resources, what behaviours they reward/recognize etc, to understand what is expected of them. At every instance, it is crucial that the leader follows a systematic and consistent approach in role modelling the right behaviours. Particularly, reaction to crisis if managed well can help transform culture quickly.

## KEY STEPS TO ACHIEVE SUSTAINABLE CULTURAL TRANSFORMATION

In addition to role modelling, it is important that leaders do the following to achieve successful and sustainable cultural transformation.

> "When an organization is going through change, it creates a lot of anxiety and psychological stress in employees, which is natural since their fundamental assumptions & values are under question. During the transition period, employees look up to their Leaders - what they pay attention to, what they measure & control regularly, where they allocate resources, what behaviours they reward/recognize etc, to understand what is expected of them."

1) **Define and communicate the end goal of the transformation clearly and regularly**; Leadership messaging needs to be simple, consistent and reinforced regularly.

2) **Create a sense of urgency** to reach the end goal; employees must see the change as a critical survival need. To get the momentum rolling, leaders need to explain "Why the change" and "Why now".

3) It is important to **reduce learning anxiety** by allocating sufficient resources and paying careful attention towards capability building for employees across all levels to enable them to perform in the new environment post the transformation.

4) All **business and people processes should be aligned to act as enablers** for the new way of working. Any process/practice that reflects the older beliefs/assumptions are potential barriers and need to be removed to avoid confusion among employees.

5) **Stand with them during the uncomfortable unlearning period**; leaders need to provide a positive outlook and reassurance, while extending constant support to employees during the transition period. This is critical to keep them engaged during the tough phase of transition.

6) People need to see the new way of doing things yielding results, for them to adopt this as the new culture. Leaders should spend time in **celebrating wins and use positive stories** to help employees adopt and stick to the new way of doing things.

Overall, leaders hold the key to achieving successful culture transformation in any organization. It is important that every person in a leadership position is aligned to the vision and is committed to achieve and sustain the desired culture. After all, as Tony Hsieh (CEO of Zappos) says, "If you get the culture right, most of the other stuff will just take care of itself". ●

─── **About the Author** ───

*Madhuvizhii Jeyakumaran is Practice Consultant - Leadership Development & Executive Coaching at Blewminds. Madhu is Talent, Diversity & Inclusion and an Organization Development (OD) Specialist. Madhu is a Post Graduate in Human Resource Management & Labour Relations from TISS and a certified Intelligent Leadership Executive Coach. Prior to current role she has worked with HSBC and PWC, her last assignment with HSBC was AVP-Organizational Development.*