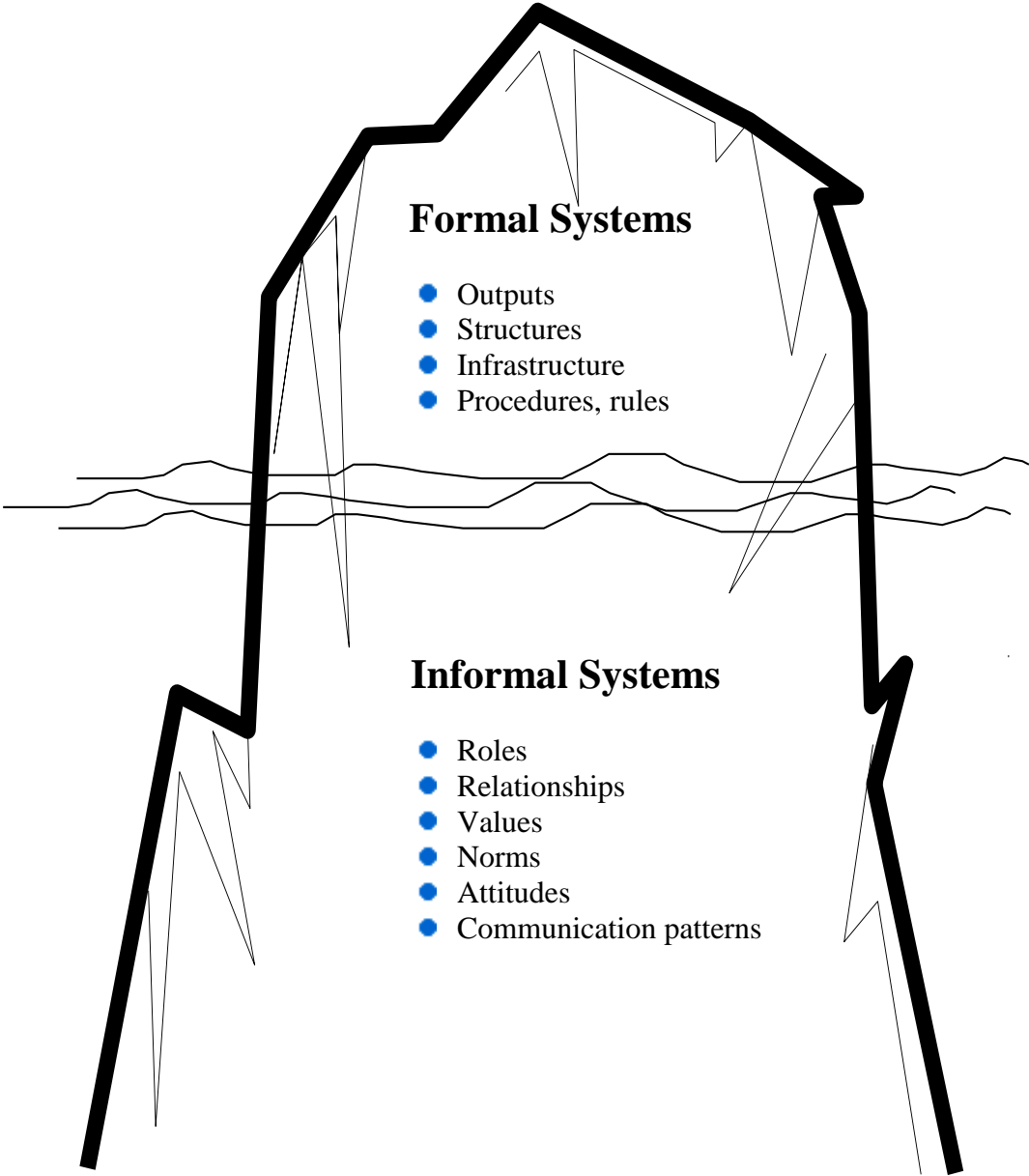# Change and the Importance of Organizational Culture
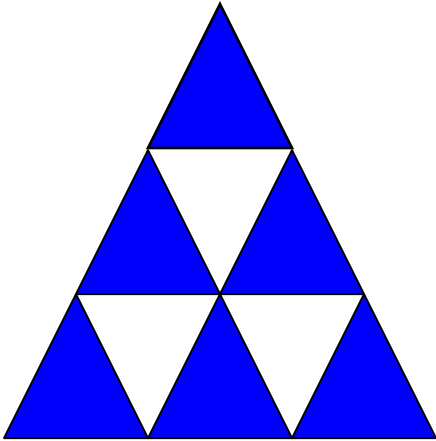
Formal Systems

- Outputs
- Structures
- Infrastructure
- Procedures, rules

Informal Systems

- Roles
- Relationships
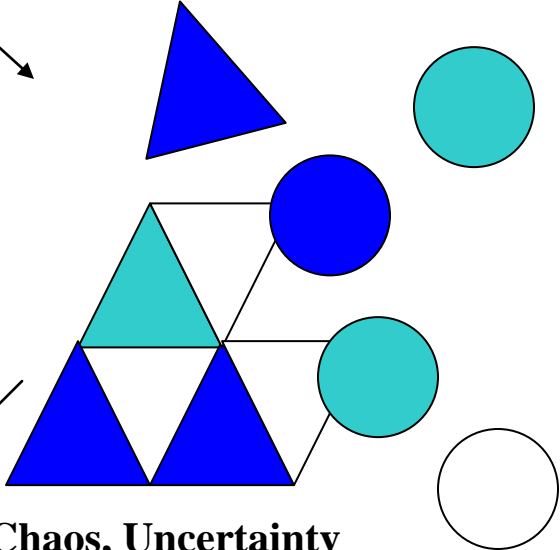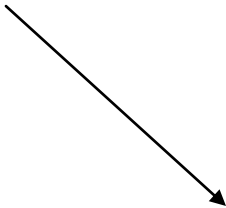- Values
- Norms
- Attitudes
- Communication patterns

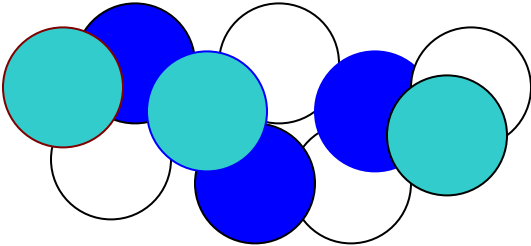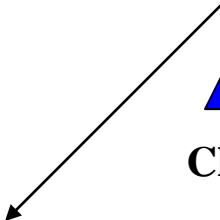**Organizational Iceberg Metaphor**

Change and Managing the Chaos

Steady State

Chaos, Uncertainty

New State

Understanding Organizational Change
_____

Organizations don't go straight from the steady state (how things are) to the desired state (how things are going to be)—Organizations must pass through a period of chaos or uncertainty as they make the transition from the way they are to the way they want to become. The specter of the chaos and uncertainty can be enough to make some people resist change, as positive as the new state may be. A clear vision of the new state is critical, along with information, training, and support during the change to help people navigate the transition successfully.

Organizational culture is the key to organizational change—Organizations can be said to be comprised of formal systems and informal systems. The organization's formal systems are like the tip of an iceberg, and include:

- Outputs—for example, products and services.
- Structures—for example, divisions and offices.
- Infrastructure—for example, computer systems.
- Procedures—the rules that govern work life.

The informal systems that comprise the organization's culture, by contrast, are like the part of the iceberg below the surface of the water--murkier and therefore more treacherous. They include:

- Roles—how people contribute and how they fit in.
- Relationships—how people are connected.
- Values—what people consider important.
- Norms—how people think they and others should behave.
- Attitudes—what people believe to be true.
- Communication patterns—who talks to whom about what.

Organizations perform most effectively when the formal systems and the informal systems, or the organizational culture, are aligned. In times of change, however, the culture does not change automatically as formal systems are changed; gulfs can develop between the change goals and the change agents on the one hand, and employees and stakeholders on the other.

Organizational culture does not change overnight—Elements of the organizational culture—roles, relationships, values, norms, attitudes, and communication patterns—are deeply ingrained in people; they do not change quickly. It takes considerable management effort to get people in an organization to embrace and actively implement major changes.

Managing change in the organizational culture can improve the prospects for change—It's not that organizational change is impossible. In fact, studies of organizations which have successfully brought about major changes provide insight into what works in managing change; elements of successful change efforts are listed on the following page.

Elements of Successful Organizational Change Efforts

- Clear objectives for the change.

- Agreement that change is needed.

- Involvement of people affected by change in planning and carrying it out.

- Anticipation of problems created by the change and early efforts to solve them (for example, training in new skills, harmonization of salary systems, etc).

- Forums for exploring the nature and impact of the change.

- Special efforts to communicate about the change (for example, briefings, newsletters, distribution of notes from policy meetings, etc.).

- Incremental implementation; pilot testing.

- Feedback methods to find out what's working well and what is not.

- Leadership that stays the course.

Reactions to Change

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7   I'M WILLING TO ACTIVELY WORK TO HELP OTHERS IMPLEMENT THE CHANGE

6   I'M MAKING CHANGES

5   I SEE A NEED FOR ME TO CHANGE--TELL ME MORE

4   THERE'S A NEED TO CHANGE, BUT I DON'T WANT TO CHANGE

3   YES, THERE'S A NEED TO CHANGE BUT I HAVE DOUBTS THAT IT'S A WORKABLE CHANGE

2   MAYBE THERE'S A NEED TO CHANGE, BUT IT'S NOT MY RESPONSIBILITY TO DO ANYTHING ABOUT IT

1   THERE IS NO NEED FOR CHANGE
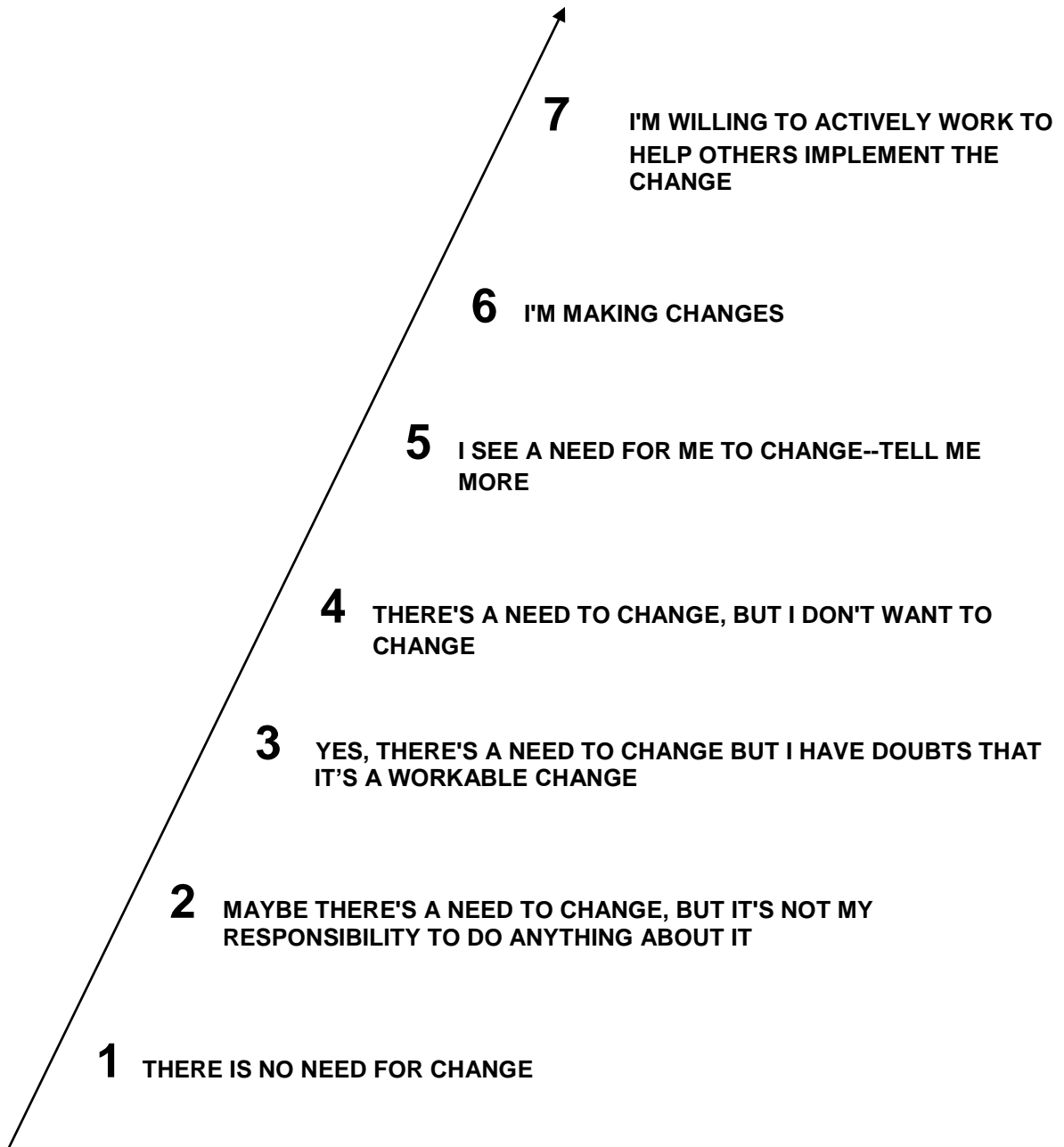
Adapted from K. Srini Vasan. "Sarar Model of Participatory Training for Community Development."

Roles in Organizational Change

Sponsor—Initiates change process; has a vested interest in the change; is responsible for its success or failure; may delegate implementation and institutionalization to change agents; usually top management. Think of this role as the *Architect.*

Change agent—Expected to put the change process and the changed processes into effect; responsible for deciding who does what and how; usually mid- to first-level management. Think of this role as the *Engineer.*

Target—Ultimate experiencer of change; responsible for changing his or her behavior and skills; has the ultimate impact on the success of the change; usually front-line workers. Think of this role as the *Implementer.*

Engagement and Motivation

Box:

Tenet—The more involved people are in making the decisions associated with organizational change, the more likely they are to support the change, and to support it with increasing commitment and confidence.

Hear about a decision after the fact	Get advance notice about a decision before it's implemented	Provide input to implement-ation plan for the decision	Provide input to the decision before it's drafted	Serve on team to draft decision options	Make or be part of making the decision

→ **Increased involvement in decisions about the change** →

→ **Increased motivation to implement the change** →

There is no need to change		I see a need a need to change; tell me more		I'm willing to actively work to help others implement the change

Back-Home Planning

Clear objectives for the change (or how you will develop them)

What are the desired outcomes of the change? Or, if they don't exist yet, who will develop them and how will they be finalized, adopted and communicated? A TIP: If the change sponsor develops the overall vision for the new state, the change objectives can be drafted or developed by a transition team (comprised of employees of all levels from across your organization), with great engagement and commitment benefits. Write your initial objectives for the change and how they will be fully or finally developed, by whom, and in what timeframe.

Agreement that change is needed

What is the compelling case for change? What information can you use—about the industry, the negative effects of the current state, the positive effects the change will bring about? How will that information be developed if it does not yet exist? A TIP: Once the case for change has been assembled, how it is delivered is critical—look for participative strategies, for example, all employee meetings where people can talk about what they are hearing. Write down the information you need to make the case for change, how you will get it, and how you will engage people with it.

Anticipation of problems created by the change and early efforts to solve them

Find out from the people in your organization what problems can be anticipated by the change. .Frequently used methods include employee focus groups, interviews, or a survey of employees. It is essential that follow up action is taken to avoid or ameliorate the problems these measures may identify.. For example, a guarantee that no one will lose his or her job or pay level because of the change can greatly lessen employees' fears. A TIP: This is a good assignment for the Transition Team. Write down what you will do to anticipate problems created by the change.

Involvement of people affected by change in planning and carrying it out

The more people who can be involved in the change effort, the greater the confidence in and commitment to the change will be. Identify areas that will need work—a new procedures manual, new space configuration, new job descriptions, training for employees, the introduction of new technology, and so on., and, A TIP: set up an employee team to tackle each area. The teams will provide the brainpower and labor needed while also becoming more invested in the change's success. Write down your initial thinking a bout teams you might be want to set up.

Forums for exploring the nature and impact of the change

Think about forums for communication that already exist in your organization—management meetings, team meetings, shift meetings—and add discussion of change-related issues to the agenda at every meeting. Themes will emerge, problems be identified, ideas be generated— all of which can help the change process. A TIP: Create new forums too, focused on exploring the change, for example, change management training, employee focus groups, or change-specific brainstorming meetings. Write down your ideas for making use of existing, or creating new forums.

Special efforts to communicate about the change

Make use of your existing communication mechanisms to communication about the change—for example, add a regular article to the newsletter or send out all-employee emails with information about the case for or the progress of the change. It is also worthwhile to add communication mechanisms—a monthly change-update email, a bulletin board on which to post milestones, an electronic site for news about the change, and so on. Write down your ideas for creating a steady flow of communication about the change.

Incremental implementation; pilot testing

Think through ways to stage the change you are interested in making. Don't overstress your organization with too many changes all at once. Your chance of success is greater if you implement the change incrementally over a period of time. The Transition Team can be of great help in figuring out the best way to break down the change goal into manageable milestones. Write down your initial thinking about how your change goal could be "chunked" into stages or phases. How will you develop this implementation plan more fully? Who should be involved?

Feedback methods to find out what's working well and what is not

Establish clear milestones and metrics for the change so that you can assess your progress along the way and make course corrections when needed. The ideal is to create a culture of transparency, self-objectivity, and continuous improvement associated with the change efforts. A TIP: A framework for evaluating change efforts is: satisfaction, operation, quality, efficiency and impact. Write down your ideas for developing an evaluation plan: how you will get feedback, against what metrics, and at what points in the process.

METRIC (what to measure)	FEEDBACK METHOD (how to measure it)	TIMEFRAME (when or at what point in the process to measure it)

Evaluation Framework

Satisfaction—The extent to which the people involved in the change process and affected by the change are satisfied with how things went. Did people like the time spent on change teams? Did people think the survey was a good idea, fair, thorough? Did people think the training was helpful?

Operation—The extent to which the change efforts went as intended. Did events occur as planned? Did initiatives stay on schedule? Did everyone attend one of the team training sessions? Did the information bulletins go out to all staff every month?

Quality—The extent to which the change efforts were well executed. Was the meeting well run, productive? Was the newsletter well focused, well written and appealingly formatted? Was the web-site well-designed, interactive, and easily navigated? Was the training effective, a good skill-building vehicle?

Efficiency—The extent to which the change efforts made good use of the resources available. Was people's time on the change teams well spent? Was the money spent on training materials a good buy in terms of the cost of alternatives?   Was the money spent on a van a good investment in terms of its value to the program?

Impact—The extent to which the change efforts achieved the desired outcome. Did our change management approach result in employee receptiveness to, and readiness for the change?   Did the changes we implemented result in better outcomes for consumers?