



articles

This article by =mc Director Bernard Ross looks at how to implement a culture change within your organisation, and why it can be more beneficial than a strategic change.

Culture eats strategy for breakfast

Transforming results by changing beliefs and behaviours

“Culture eats strategy for breakfast” is a famous quote from legendary management consultant and writer Peter Drucker. To be clear he didn’t mean that strategy was unimportant – rather that a powerful and empowering culture was a surer route to organisational success.

One of the key goals in organisational development in the last 10-15 years in both business and not for profit world has been to find a way of creating cultures that are flexible and innovative and where individuals take responsibility for results – moving away from bureaucratic silos where formulaic approaches dominate.

At =mc we’ve worked with a number of organisations on transforming their culture including Marie Curie Cancer Care, Amnesty International, the International Red Cross and Red Crescent Federation, and Diabetes UK.

To find out more about these examples and how we can help you transform your culture contact Bernard Ross, =mc director at b.ross@managementcentre.co.uk or visit us online: www.managementcentre.co.uk

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The culture challenge

The challenge is how to first *describe* strategy, and then challenge two is how to *change* it. There are been, over the years, a number of models developed to help map culture. Harrison and Handy, for example, have developed similar models based around the idea of four frameworks or Greek gods. You can find out about that approach here: [8 Gods of Management by Harrison & Handy](#). The drawback with the Harrison/Handy model, however, is that maybe it's a little too simple and even if it's simple it's hard to decide how and where to change.

One of the most powerful and effective models, however, is the one developed by two UK academics Johnson and Scholes. This model is called the cultural web, and it's the one we use most commonly in The Management Centre when working with customers on culture change.

The cultural web

Johnson and Scholes identified a number of linked elements that make up culture. Importantly, they didn't try and specify any one best culture. Instead they argue that by analysing each element you can decide if the current approach helps to deliver your vision and mission or hinder it.

Johnson and Scholes Cultural Web

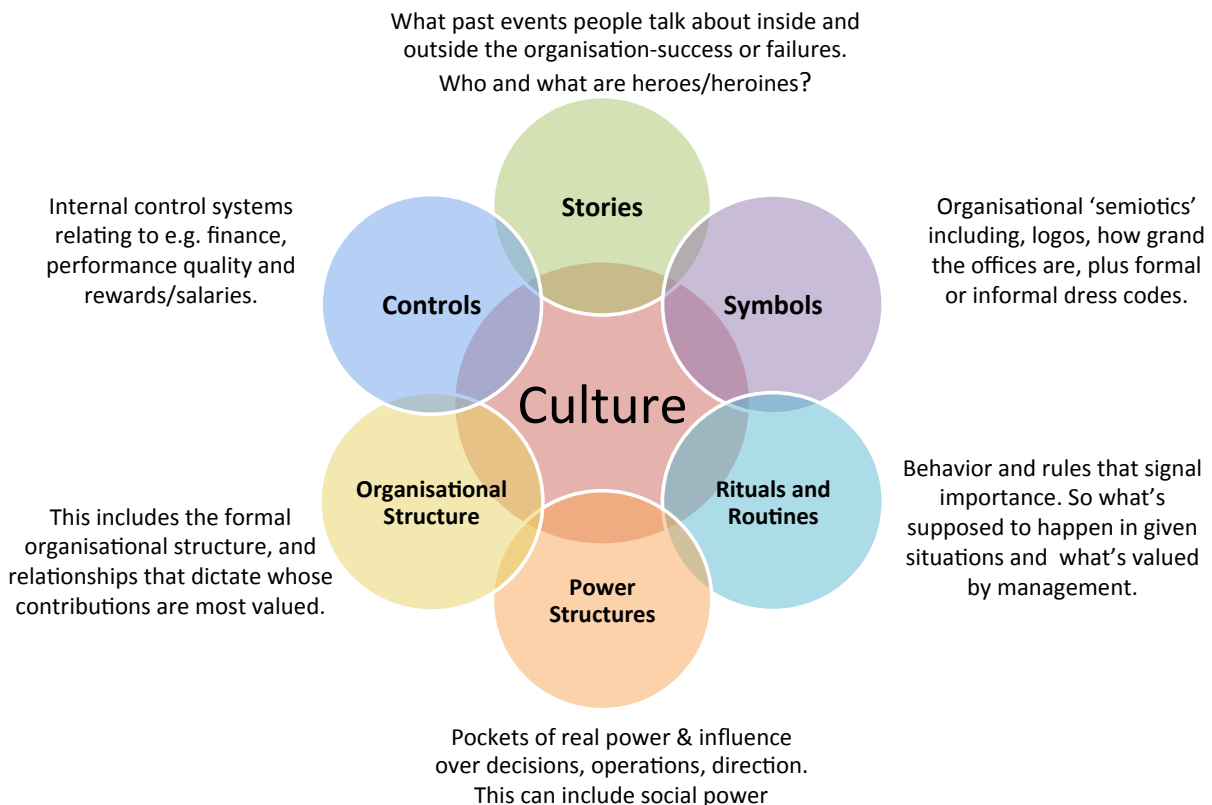


Diagram adapted from "**Fundamentals of Strategy**" by G. Johnson, R. Whittington, and K. Scholes. Published by Pearson Education, 2012.

The six elements they defined are:

- **Stories and myths:** covers events and people discussed inside and outside the organisation. So who are the heroes and heroines – and who are the villains? This categorization guides on what is seen as success. So consider the way in which Steve Jobs was regarded in Apple. (And John Scully?)
- **Rituals and Routines:** covers the patterns of systematic behaviour that are seen as normal. Usually this determines what's supposed to happen in a particular situation. These rituals can be positive – supporting colleagues, responding to customer queries in 24 hrs. But they can be negative – bullying, sexism, etc. So think of some rituals in the armed forces – both +ive and –ive.
- **Symbols** – every office has symbols: from who has a corner or separate office to the daily dress code or who can fly business class. Symbols can extend to the branding – fun or serious – and the ways the organisation portrays itself through what it sponsors. Think of Google's obsession with showing slides and table tennis in the office. The symbolism is college meets work.
- **Organisational Structure:** the organogram is one formal representation of structure – who reports to who. But there are other power structures in an organisation – around what Malcolm Gladwell calls social power. Theatres are interesting organisations where the star performer may have more power than the director – who is theoretically in charge.
- **Control Systems:** every organisation has 'controls.' These include systems for setting and maintaining standards for finance and quality. They may also include reward and promotion systems. Some organisations have strict standards – office time, use of emails etc. And some are looser. But these can change: consider the impact of Nick Leason-type scandals on banking.
- **Power Structures:** some people or groups have significant decision-making powers within an organisation. These structures can be formal – the CEO, the SMT or the Board. Or they can be informal – perhaps a strong trades union able to derail or sanction decisions. Think of the RMT union in the London Transport system.

At the centre of the web sits the summary of these – the culture paradigm. (Johnston and Scholes call this 'the paradigm' or 'the recipe' – the summary of how these elements interconnect.

How the elements interact

One of the key elements of the web model is that all the above issues interact and even overlap. (So, for example, many elements are expressed in the symbols element)

NHS Case Study

The illustration below shows a cultural web drawn up by managers in one part of the UK's National Health Service. In our experience it would be similar to many state-managed health care systems in other countries. Note, however, that the view expressed below is primarily that of *managers*. Clinicians or nursing staff might well have quite different view. And so might you!

Routines and rituals

Many hospitals have routines for consultation and prescribing drugs. Rituals have to do with what the managers described as “infantilising.” These processes “sorted patients out” – putting them to bed and waking them up at certain times, addressing them informally, having fixed mealtimes/ menus and so on. The subservience of patients was further emphasised by the role of clinicians with ritual-type consultation ceremonies and ward rounds. These routines and rituals emphasise it is the *professionals* who are in control.

Stories

Many stories in the groups engaged concern ‘cures’ – particularly from serious illnesses. (Notice many TV medical shows involve the A and E role.) So the heroes of the health service are not so much in caring, which is maybe where the focus should be. There are also constant stories about villainous politicians trying to change the system, and of heroic acts by the medical staff defending the system against the ‘bean counting bureaucrats.’ There is often a reference to a ‘golden age’ when the service was great – but no-one knows exactly when it was.

Symbols

Symbols reflect the various roles in the service. So uniforms are a key part of the role for some clinical and nursing staff. Senior clinicians have status symbols such as their own office or diary secretary. Many have their certificates displayed. Outside the building senior staff have designated parking places by name. Very senior clinicians even lose the ‘Doctor’ title and become plain but prestigious ‘Mr.’ The soubriquet ‘teaching hospital’ attached to an organisation makes it much more prestigious.

Power structures

Power is seen as fragmented between clinicians, nurses and administrators and managers. Historically, senior clinicians were the most powerful and managers were seen as “admin” or “bureaucrats.” But as with other organisations, there was also a strong informal network of individuals and groups that coalesced around specific issues. Trades unions, for example, were at one time powerful, but their power has been in decline. Patient power is talked about but is really non-existent.

Organisational structures

Many services were organised by diseases or even body “bits”: so ENT or oncology. Structures were seen as hierarchical and mechanistic. There was a clear pecking order between services, with the “caring” services low down the list – for example, community health professionals. Mental health was seen as well outside the mainstream. At the informal level there was lots of “tribalism” between functions and professional groups. So different groupings would go to different pubs after work. Organograms were complex with lots of matrix reporting.

Control Systems

In hospitals the key measure has historically been “completed clinical episodes”, i.e. activity, such as operations completed, rather than results. There has also latterly been an obsessive focus on targets – especially for waiting times. Control over staff is exerted by managers based around these targets. Worse still there is pressure to be 'seen' to make these targets – despite possible negative impact on other aspects of care. At the same time budget targets are often ignored – leading to huge overspends and losses in specific trusts.

The Culture Paradigm

So the assumptions which constitute the culture paradigm in the example above reflect the common public perception in the UK that the NHS is a “good thing” and public service which should be provided equally, free of charge at the point of delivery. (Though almost everyone agrees that it’s too expensive to run.)

However, in our experience and from the case above, there is an emerging tension between a culture where medical values are central so the dominant view that “medics know best” and managers and patients need to ‘fit in.’ On the other hand there is an emerging view that the culture is changing to one where the obsession is with meeting bureaucratic targets set by managers or worse still politicians. Sadly in both these cultures ‘patient need’ is secondary.

Regardless of the overall power dynamic the NHS is an organisation concerned with curing illness rather than preventing it. For example, pregnancy is not an illness, but pregnant women often argue that hospitals treat them as though they are ill. Overall, the NHS is seen as belonging to those who provide or manage the service.

Of course the NHS isn’t the only sector in transition. In many charities fundraising is seen as almost ‘dirty,’ a necessary evil. This culture has prevailed in the UK arts and culture until recently – but cutbacks in state funding mean that this is changing. In many development charities there is a move to a more ‘development in partnership with local people’ culture away from a simple ‘emergency relief/foreign experts know best’ culture.

Is your paradigm changing? Do you want it to change? Does a change in your environment mean you have to change? What to do?

Five steps to change and align culture

Understanding culture is not enough. The point is to change it. And to do this you need to follow five steps.

1. Analyse culture as it is now (and be honest!)

Job one is to sit down and work out accurately what the culture is now. There are a number of ways to do this. Focus groups, especially externally facilitated ones, can be a great way to get a real handle on this. You also might want to run an anonymous survey monkey study. (See below for suitable questions to ask.) It's essential that this is a candid 'warts and all' approach. You can map the results using the web model.

2. Imagine the culture as you want it to be

With the picture of your current cultural web complete, think next about how you would like things to be – ideally. (It will never be perfect in action.)

In the case of the NHS example above, we might suggest putting the patient literally at the centre of the culture to change the mindset.

Starting from your organisation's strategy, think about how you want your culture to work, if everything was correctly aligned. To make it concrete we often then list the key stakeholders and describe how things will be better for them in the new culture. These stakeholders could include: staff, beneficiaries, service users, donors and others.

3. Map the differences between the two

Now compare your two cultural web diagrams, and identify the differences between them.

Considering your vision, mission and values:

- What strengths are clear from your analysis?
- What factors work – and you just need to encourage and reinforce them?
- What weaknesses are hindering your vision and mission, or are misaligned?
- Which factors do you need to change – and what are the key few?
- Who needs to agree, be informed about, or sign off any changes?
- What new beliefs and behaviours do you need to promote at different levels?

4. Make an action plan

You need an action plan to make sure that the culture change actually takes place. This plan should establish:

- The key *issues* to address – both to reinforce and change
- *Who* should take action – senior commitment to action is essential
- How you will track and *measure* changes
- Explain exactly how this will help deliver strategy and beneficiary payoffs

This plan should ideally be published and available to everyone. (Provided transparency is a part of your culture!)

5. Measure differences over time

You need track that your approach was actually implemented and that it has had the desired effect. (So what you do may not have had the impact you hoped for.)

- Put in place a timeline to measure changes in beliefs and associated behaviour over an appropriate period – a week, a month, and a year. (How long depends on the scale and scope of the change.)
- Where's the data to say this produced the results you wanted? Are the key beneficiaries – the donors, the service users, the staff members – experiencing the payoffs that the change

Questions to help when mapping culture

To undertake the mapping of the actual and desired culture it can help to have some questions to focus your thinking. Start by looking at each element separately, and ask yourself other questions that help you determine the dominant factors in each.

Stories

- What stories do people tell about your organisation – internally and externally?
- What do existing employees talk about when they think of agency history?
- What stories do they tell new people who join the agency?
- What heroes, villains and mavericks appear in these stories?

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Example of an environmental campaigning charity:

- *“Wow remember the 2012 campaign with the giant puppets outside parliament? That was so cool...”*
- *Staff members talk about the founders starting the company from home with £500.*
- *The message is that we always do things in an environmentally conscious way ourselves.*

Rituals and Routines

- What do *volunteers* expect when they walk in – a hippy welcome or formal receptionist?
- What do *employees* expect when they start – a welcome from the CEO or being slotted into a systematic process?
- When a problem is encountered, what rules do people apply when they solve it: act and then ask permission? Or seek permission first?

Example of an environmental campaigning charity:

- *Donors expect to be kept in touch with campaigns and to be consulted on key issues.*
- *Employees are expected to work very long hours without complaint or overtime.*
- *There's lots of talk about values, and especially about how to campaign while living in the real world.*

Symbols

- Is specific jargon or language used? How well known and usable by everyone is this?
- Are there any obvious status symbols? Or even anti status symbols?
- What's the image of your organisation, from the viewpoints of donors, stakeholders and staff?

Example of an environmental campaigning charity:

- *We always use cycles to travel to and from work – and never cars.*
- *All of our office supplies are recycled and environmentally friendly.*
- *The boss wears a jumper and jeans, not a suit.*

Organisational Structure

- Is the structure flat or hierarchical? Formal or informal? Organic or mechanistic?
- Where are the formal lines of authority? And who can challenge what?
- Are there informal lines of power or communications?

Example of an environmental campaigning charity:

- *There's a flat structure – at all staff meetings everyone can speak up.*
- *There are no PAs or support staff, so everyone is self managing.*
- *Campaigns and Fundraising never talk to each other, they each dislike each other's approach.*

Control Systems

- What process or procedure has the tightest controls – finance, fundraising, ethics, quality?
- Is the agency generally loosely or tightly controlled?
- What reports are issued to keep control of operations, finance, etc....?

Example of an environmental campaigning charity:

- *Costs are highly controlled, and campaigns are very tightly planned and costed.*
- *Despite what we say, science is sometimes put aside for campaign goals.*
- *The wage structure is very flat – the CEO is paid a maximum of x 3 ordinary staff.*

Power Structures

- Who has the real power in the agency? Is it the same as the formal power?
- Who makes or influences key decisions? (What's the role of Board, SMT, and CEO?)
- How is this power used or abused?

Example of an environmental campaigning charity:

- *The CEO believes in engaging staff very widely in decision making on all key issues.*
- *Hmmm some people have special access to the senior management team.*
- *The whistleblowing code is widely respected and used – anyone can challenge anything.*