1 Conclusions on perspectives cultural change in organizations

This section comprises eleven conclusions of perspectives on cultural change. Conclusions about the approach to change, the role of leaders in cultural change and about interventions are developed further in the subsequent parts.

Don’t dare to call it cultural change
None of the leaders in cultural change actually uses the word cultural change for the changes they work on. Cultural change is not a goal in itself. It is about surviving in times of crisis, international expansion, qualifying for the future, innovating with external partners and maximizing customer value. Cultural change affects the business idea of an organization. This business idea concerns the meaning for customers, the social meaning, the strengths and identity of the organization and the position with respect to other organizations. It is clear to companies that are successful in cultural change and strategic renewal what their business idea is, what the needs of their customers are and how these needs can be satisfied. The customer value is the main thing.

Knowing your meaning and business idea
It is quite clear to organizations that are successful in cultural change who their customer is and what they want to mean for the customer. They know what they stand by and what they are going for. Sometimes not just one customer is involved, but a customer system and the final meaning for citizens, residents, partner organizations and parties concerned. Organizations in cultural change stand out by creating value for their customers. They have a recognizable identity and clear value proposition. They make a balanced choice for a market position on the basis of their unique qualities. This concerns the business idea with four connected aspects that give shape to value creation for customers. These aspects are: what we stand by, what we are going for, what our unique strength is and the value proposition we choose. The most important task for leaders in cultural change is to make clear what the identity and meaning of the organization are. It is about working out the business idea and answering the question of what the organization stands by and what the organization goes for.

Business idea as a medium for cultural change

[Diagram of the business idea as a medium for cultural change]
Playing with urgency and ambition
A crisis situation is not an essential precondition of cultural change, in contrast to what is often maintained. A crisis situation can even have a negative effect if the crisis results in widespread uncertainty and paralysis. A clear ambition and a vision of the future are more important for cultural change than a crisis situation. Companies that are successful in cultural change are clear about what they stand by and what they are going for. Not a crisis, but a clear business idea lies at the basis of the success of the cultural changes in all the organizations investigated. At least equally essential is a good customer definition and a clear picture of the customer value that the business wants to deliver.

Innovation and expansion as impulses for strategic renewal
Alongside the business idea and the customer value, two other backgrounds emerge for cultural change. Innovation with external partners or even the customer results in new insights and possibilities. Putting those new possibilities to work as best as possible often necessitates a change in working methods, work structuring, systems, and in the acting and thinking of people in the organizations. One’s own basic assumptions are called into question and the core values are put under pressure. This creates space for a fundamental change that affects all aspects of the business. International expansion and international collaboration result in one’s own core convictions being revealed, and things that go without saying and entrenched patterns becoming apparent. Differences in the cultural backgrounds of merger partners make behavioral patterns and alternatives for acting clear. Leaders who are able to value these differences and accept the strong sides of both partners are able to stimulate the best of both partners and form a strong, international company that is ready for international competition.

Deep change
Cultural change is not an isolated process. Culture is not part of a machine that you can tinker with. Successful organizations realize that the organizational culture is visible in the work, the relationship with customers and in the mutual cooperation. The relationship with customers and the mutual cooperation gain meaning from the company strategy and are influenced by the structure of the organization and the systems used. Cultural change requires an integral approach to strategic, organizational and technological change. The organizational culture as a specific excuse for change disappears to the background. Specific programs for behavioral change have almost no effect. Organizations that view cultural change exclusively as behavioral change are seldom successful in changing their organizational culture. Changing the company strategy, the structures and the systems puts working methods and entrenched patterns under pressure. Making behavior explicit, naming values and articulating the identity lead to a deepening towards underlying values and basic assumptions. Cultural change concerns deep change, with all layers of the company identity being given attention.

Reinventing business propositions
Leaders in cultural change look for possibilities for renewing the business proposition. This process is embedded in strategic development and cultural change in organizations. Staff services not only deliver support to the business: they are the business. They contribute to the daily customer processes and have an eye for the future. That does not mean that staff services already concentrate totally on the customer value. Precisely the tension between the nature and method of the current service and the wishes of customers provides energy to carry out changes in work processes, structure, systems and culture.
Balancing between identity and innovation
Leaders in cultural change know their company history and are proud of it. Leaders working on deep change are guided by values that match the company identity and the meaning the organization wants to have for customers. They make it possible to discuss the values at all levels in their organization. Sometimes they formulate new visions of the future to break with the past and provide guidance for new behavior. Organizations in deep change know how to preserve their individual character and put their core qualities to use to realize renewal. The key question is how the company wants to position itself and distinguish itself by creating value for customers. If organizations work on this, it is a change in which the organization preserves its identity and gives shape to renewal at the same time.

Change starts with standstill
Leaders who want to play a part in cultural change would do well to increase their knowledge of the history and background of the organization. The history and the stories about the founders and previous leaders contain many hidden basic assumptions. Changing starts with standing still and that is certainly valid if you want to change the culture of an organization. It takes time to discover how things are going in organizations. It takes even more time to discover entrenched patterns, value systems and basic assumptions. For that matter, it remains to be seen whether a leader should aim at a cultural change. Changing entrenched patterns, the underlying value systems and the basic assumptions is a process that takes years. Those who are not prepared to invest that time would do better to try to confirm the strong sides of the existing culture.

Discussing the undiscussable
The culture of an organization is deeply rooted in the basic assumptions, underlying values and in self-evident truths and habits. People are often unaware of these things. The real art for leaders in cultural change is to make them visible and discussable. It requires courage to make the undiscussable discussable and to expose patterns. However, it is very difficult to change them without this openness and consciousness-raising.

Playing with differences
Striving for organization-wide consensus is possible and meaningful in articulating the business idea and the values of the business for customer and surroundings. People who don’t identify with that, no longer fit in the organization. It is pointless to strive towards wide consensus where professional behavior and performance of the work are concerned. Leaders in cultural change steer by values and not by guidelines and procedures in the daily work practice. Operational steering has a paralyzing effect and results in conflict. There are and will always be differences in professional groups and departments. The leader must have the skill to bear those differences, to appreciate them and make it possible to discuss them. That is when room will be created for creativity and renewal.

Trajectories for cultural change in organizations
There is more than one reason for cultural change. These reasons are connected and form related trajectories for cultural change in organizations. The eight reasons for cultural change require specific and appropriate approaches to change. A survival strategy for a business in crisis needs a different approach to a company that is going for international expansion or for innovative cooperation with partner organizations. In the next part I investigate the approach for successful cultural change that fits the different reasons for cultural change.
2 Conclusions on organizational cultural and change strategies

In this section I described the basic principles and ingredients of the approach to cultural change in organizations.

**Six basic principles for cultural change**
A successful approach to cultural change in organizations has six basic principles:
- Generate energy for change,
- Envisage a future and formulate a vision,
- Form a leading coalition and stimulate interaction,
- Put the customer in first place and simplify business processes,
- Combine upwards and downwards renewal,
- Play with direction, peace and space.

These six basic principles can be encountered in the nineteen businesses studied that change their organizational culture successfully and improve their service. The basic principles are the conditions of successful cultural change. Disregarding the basic principles leads to almost certain failure of the change. These six basic principles have several ingredients. The ingredients are part of the change approach and help to come to a well-considered approach for cultural change in organizations. A suitable change approach can be composed from these ingredients. Each time the skill is in choosing a change approach from the basic principles and with the ingredients that match the reason for the cultural change, the situation the organization is in and the ambitions for the future.

**No single best way of changing an organizational culture**
There is no best method of change. Copying a strategy that was successful for other companies almost certainly results in a disaster. Every time it involves making conscious decisions about how to set up the change process. And yet there are similarities in change approaches. In all cases, attention is focused on creating added value for customers. The change process is always linked to customer processes and the business idea. The ambition is leading. The point is to qualify for the future and not to disqualify the past, using the strength from the past to get the change to succeed. Points of attention to consider in setting up the change process are:
- Degree of urgency and necessity of changing,
- Pressure from stockholders, politics and media,
- Degree to which employees trust management,
- Power distance between management and operational staff,
- The level of change and the reason for the changes,
- The unmanageability of the technical and financial systems,
- The quality of management,
- Positive and negative experiences with previous change processes,
- Knowledge and skills to design changes and supervise them,
- The willingness of leaders in cultural change to use power and give space.

The conclusions to part 1 already stated that change starts with standing still. This not only means finding out the reason for the change and understanding the existing organizational culture, but also thinking through a suitable change approach.
Not every change approach is effective
Theories about organizational change have described a number of strategies for change. In the table below I use these theories as the basis for describing six approaches for cultural change.

Approaches for cultural change in organizations

<table>
<thead>
<tr>
<th>Power strategy</th>
<th>Planned strategy</th>
<th>Negotiating strategy</th>
<th>Development strategy</th>
<th>Learning strategy</th>
<th>Transformational strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forcing</td>
<td>Pushing</td>
<td>Exchanging</td>
<td>Developing</td>
<td>Learning</td>
<td>Discovering</td>
</tr>
<tr>
<td>Steering by top</td>
<td>Initiated by top</td>
<td>Multiple actors</td>
<td>Transformative</td>
<td>Active &amp; interactive</td>
<td>Active &amp; interactive</td>
</tr>
<tr>
<td>Goal oriented</td>
<td>Solution oriented</td>
<td>Result oriented</td>
<td>Problem oriented</td>
<td>Transition oriented</td>
<td>Future oriented</td>
</tr>
<tr>
<td>Position power</td>
<td>Expert power</td>
<td>Position power</td>
<td>Informal power</td>
<td>Seductive power</td>
<td>Visioning power</td>
</tr>
<tr>
<td>Input controllers</td>
<td>Input experts</td>
<td>Different coalitions</td>
<td>Input employees</td>
<td>Input learning teams</td>
<td>Collaboration</td>
</tr>
<tr>
<td>Linear process</td>
<td>Linear process</td>
<td>Iterative process</td>
<td>Iterative process</td>
<td>Cyclic process</td>
<td>Cyclic process</td>
</tr>
<tr>
<td>Pressure</td>
<td>Rational persuasion</td>
<td>Negotiation</td>
<td>Participation</td>
<td>Action learning</td>
<td>Dialoguing</td>
</tr>
<tr>
<td>Telling &amp; selling</td>
<td>Convincing</td>
<td>Compromising</td>
<td>Guiding &amp; coaching</td>
<td>Facilitation</td>
<td>Mutual interaction</td>
</tr>
</tbody>
</table>

In the power strategy, top managers create urgency from the threats from the environment to get people into action. The idea is that people are cautious and only want to change under external pressure. From the perspective of this concept, conflicts and resistance to change are unavoidable and have to be overcome through the use of power. Top managers determine the goals and delegate the implementation to middle managers. There is a tight time planning within which the proposed goals have to be achieved. Controllers monitor whether goals are reached and top managers intervene if that is not the case. Desired behavior is rewarded and behavior that is not appropriate to the new values and standards is punished. A more subtle way of exercising power is to formulate clearly which work practices are no longer tolerated. Power is also used to break through existing practices and to create space for developing alternative work practices.

The essence of the approach with the planned strategy is that managers try to predict developments in the environment and anticipate them. Here the idea is that people will always choose the most logical solution. The task is to convince people what the best solution is. After the environment is analyzed, management develop a business strategy together with experts. They formulate objectives and implement changes. Experts and advisors have an important role in the problem analysis and the formulation of the desired situation. In the planned approach, managers sometimes use large-scale cultural programs whose aim is to change the behavior of people in the organization. Programs aimed solely at behavioral change seldom result in a change to the organizational culture and are usually a waste of energy.

The negotiating strategy concerns parties with different interests and wishes who need each other to realize their wishes. The idea is that people focus mainly on their own interest, but that they take others into consideration if there is a need to collaborate. Personal interest motivates people to change if that serves their own interests. This strategy is about making force fields visible, articulating one’s own advantage and exchanging interests. This approach can be meaningful when there are conflicting interests and socio-political stagnation, but especially to create favorable conditions for the change or to realize a cultural change.
The idea in the development strategy is that people have enough possibilities within themselves to change, as long as there is a good director who can get the best out of them. Creating a safe context and offering clear structures reduces uncertainty and forms a foundation for change. In this participative change approach, the initiators listen to the people who are involved in the change and use their advice. The problem-solving capabilities of the people involved are appealed to in the change process. Changes are realized gradually and step by step, and organization members are involved in all phases of the change. Usually the change is initiated and supported by top management. In this change strategy, people who are directly involved work together in the organization to realize the desired change. During the change process, behavioral science principles and practices are used to increase individual and organizational effectiveness. This change strategy leads to commitment and support for change. This approach is often chosen in businesses if a cultural change is concerned and usually with success.

The idea behind the learning strategy is that people act on the basis of assumptions, emotions, feelings and almost unconscious patterns. Making people aware of these assumptions and patterns and making it possible to discuss the feelings create space for learning processes in which people change their behavior. Action learning is often used, in which learning processes aim at discovering obstructive emotions and blocking patterns. Facilitators focus on re-education of committed people involved in a collective learning process. The underlying idea is that learning takes place in a cyclical process in which concrete experiences are followed by reflective observation of these experiences. These reflections are then analyzed and incorporated in new concepts and frames of reality. It is about mental clearing of limiting beliefs and the creation of new images of reality. Organizations that work successfully on cultural change almost always pay attention to opening basis assumptions and obstructive patterns up for discussion. Successful cultural change also almost always pays attention to learning processes. This strategy is helpful in initiating and anchoring cultural changes, but the approach is rarely used on its own and is always combined with other change strategies.

In the transformational strategy, people exchange perspectives on organizing, changing and innovating. They experiment and get innovations going that go beyond their own organization. The idea behind this strategy is that reality is not objective, but is anchored in the minds and hearts of people. These subjective images and definitions of reality change continuously through interaction and sense-making. If this view of reality is linked with a future ideal, energy is created and people get moving: that is the idea. It concerns multiple examination of problems, exposing interpretations and stimulating interactions to produce a number of possibilities for solutions. In this approach there is space for dialogue that makes room for multiple voices and innovative initiatives. Interacting, acting, reflecting and learning are inseparable during the change process. Meanings and basic assumptions become visible and joint alternative actions are initiated which lead to a process of discovering new futures and destinies. This strategy is often chosen by businesses that are working on successful cultural change.

**Step-by-step change useful for cultural change**

The first three approaches to organizational change in table 10.1 result in a limited capacity for change. Political behavior in the organization will increase and the staff will have a skeptical attitude and play a waiting game. The chance of successful change is small and there is only low capacity to realize changes on one’s own. These approaches are sometimes used to initiate a cultural change or force breakthroughs, but always in combination with other approaches.
The last three approaches for change are often used in businesses that successfully change their culture. The developmental change approach has a greater chance of success than the planned approach because it provides space for personal input and attention is paid to realizing commitment and support for the change. The learning approach is helpful to understand existing cultural patterns and to experiment with new behavior. In most cases, the transformational approach results in measurable positive effects for customers, faster development of new products, better business and staff key indicators and greater satisfaction of employees with the change. The people in the organization learn to give shape to change processes on their own. It is striking that the companies that work on successful cultural change predominantly choose a developmental, learning and transformational change strategy.

**Building a vital coalition**
Cultural change comes down to forming vital coalitions with people who dare to stick their necks out and take the initiative. Changing the identity and underlying values of a business is not a simple job and too large for a leader or initiator to tackle on their own. Successful cultural change requires a joint effort of people who are capable of realizing change. It is essential to form a coalition of people inside and outside the organization who support the change and want to give shape to it. People who know the work processes and are willing to change. They set the example themselves and can be approached about that. They are not the followers. They are critical, committed people with their heart in the business and passion for the customer. People in a vital coalition come from different backgrounds and have different areas of expertise. They value each other in that difference, because they complement each other.

**Change based on own qualities without consultants**
Leaders in cultural change often choose a step-by-step change approach that involves employees from all levels in the change. A tightly planned, top-down change approach is rarely chosen. The main thing is step-by-step and interactive changes with input from the people involved and a restrained use of power. The step-by-step approach means that the leaders in cultural change monitor the progress closely and there are opportunities for adjustment. There is some steering from the top of the organization, but that control is not imperative, unless matters seriously need to be put in order. External consultants provide only minimal input to the change processes. Sometimes they are called in as expert in the analysis and redesign of the business processes, sometimes they are invited to sharpen up the story and sometimes to observe critically. The businesses all choose to design the cultural changes themselves. A good analogy for changing an organizational culture successfully is getting people together who want to work on building a bridge – while they are walking over it.
3 Conclusions of organizational culture and leadership

The section contains conclusions about the role of people who take the initiative in changing and developing an organizational culture. It concerns leaders in cultural change who give direction and provide space. Five forms of leadership are distinguished and I examine which form of leadership is best suited to cultural change. I specifically discuss transformational, meaningful and authentic leadership. This section concludes with the distinction between episodic cultural change and gradual cultural development.

Leaders and initiators
This part of the book contains numerous examples and concrete conduct of leaders who work successfully on cultural change. You could incorrectly draw the conclusion from this part that cultural change is mainly a matter for top managers. This part is not about top managers, but above all about people who stick their neck out and assume a leading role in a cultural change. Top managers are often the initiator and without the support of top managers, cultural change is difficult. Yet in all the practical studies I encountered people who took the initiative, brought existing patterns up for discussion and stuck their neck out. People who want to realize their ambitions or set to work from a feeling of professional shame and want things to be different. These are the inventeneurs at 3M, the youth workers at Jeugdformat, the mechanics at KPN, the odd-job officials at the Ministry of the Interior, the professionals at Deltaland Hospital, the managers at Professional Services of Albert Heijn, the recruiters at Philips, the salespeople of Olijslager, the branch managers at Unique, the police officers in Amsterdam. People do not take the lead in a cultural change because of their position, but from a sincere feeling that it should work differently to how it is now. They demonstrate leadership by taking the initiative and heading in a direction that is worthwhile.

Direction and space
The leaders in this study give direction by giving meaning to unclear events. They concentrate more on possibilities than on threats or problems. They know what the organization stands by and what it goes for, and they know what affects their people. They are a role model to others and they do what they say. They make cultural values explicit and work on making these values concrete in behavior. They actively involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future. Trust and space from leaders motivate others to get to work on a new vision in their own working environment and invite people to experiment with renewal. Leaders in cultural change are not afraid to make use of their formal position. They indicate boundaries and are extremely clear in what they do not want. They also use their position to form coalitions of internal and external supporters who help give shape to the change. They are willing to change players if this makes the transformation easier. The leaders stay optimistic, show progress and make successes visible.

Effective leadership styles for cultural change
Different leadership styles are distinguished in the leadership theory. These different styles are summarized in the table below.
**Forms of leadership**

<table>
<thead>
<tr>
<th>Entrepreneurial</th>
<th>Autocratic</th>
<th>Transactional</th>
<th>Charismatic</th>
<th>Participative</th>
<th>Transforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiating</td>
<td>Goal setting</td>
<td>Goal setting</td>
<td>Impressing</td>
<td>Guiding</td>
<td>Sensing</td>
</tr>
<tr>
<td>Communicating</td>
<td>Commanding</td>
<td>Informing</td>
<td>Speaking</td>
<td>Listening</td>
<td>Sensemaking</td>
</tr>
<tr>
<td>Engaging</td>
<td>Intimidating</td>
<td>Managing</td>
<td>Building</td>
<td>Evaluating</td>
<td>Vitalizing</td>
</tr>
<tr>
<td>Appealing</td>
<td>Reacting</td>
<td>Performing</td>
<td>Achieving</td>
<td>Consulting</td>
<td>Envisioning</td>
</tr>
<tr>
<td>Cultivating</td>
<td>Realizing</td>
<td>Stabilizing</td>
<td>Modeling</td>
<td>Delegating</td>
<td>Supporting</td>
</tr>
<tr>
<td>Inspiring</td>
<td>Punishing</td>
<td>Rewarding</td>
<td>Monitoring</td>
<td>Appreciating</td>
<td>Appreciating</td>
</tr>
<tr>
<td>Demanding</td>
<td>Positioning</td>
<td>Controlling</td>
<td>Expecting</td>
<td>Encouraging</td>
<td>Empowering</td>
</tr>
</tbody>
</table>

Successful cultural change mainly concerns a combination of transformational and participative leadership. You can roughly say that leaders in cultural change are found on the right-hand side of the range. With starting enterprises, the founders form the culture of their company. They do that from a powerful motive and a clear vision. They look for people who fit in with that and want to participate. Starting entrepreneurs are their business and they form the culture that suits them. The transformational and participative leadership styles are mainly suited to get a cultural change going for businesses that have been around for longer and have a robust culture. This does not mean that leaders in cultural change do not use power. They certainly do, albeit sparingly and not from an autocratic attitude. Power is used to articulate problems, indicate boundaries, break through barriers, change players and make space for renewal. In crisis situations in particular, top managers take control and say how things are and how they will be. Leaders in cultural change do not aim, however, at increasing their own position of power. They do not work according to their position, but transformationally, involving others in the cultural change. In essence, they make an effort to increase the ability of the community so it can give shape to its own future on its own and realize sustainable changes. Leaders in cultural change work transformationally, give meaning and are authentic. I discuss this in more depth in the following three sections.

**Transformational leadership**

Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are conscious of their environment and they are socially conscious. Transformational leaders are curious, explorative and have broad interests. They have a learning attitude and know themselves with their strong and their weak sides. They are capable of seeing connections between varying developments and understand what an incidental disruption to a work system is and what symptoms of fundamental change are. They are aware of the values and standards of a social system and recognize when those rules have to be modified. They listen to others and have the capability of trusting others and building trust. They are inspiring and they know how they have to operate administratively to solve conflicts and realize cultural changes.

**Meaningful leadership**

Meaningful leaders deliberately pay attention to specific cases and events. In crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to, and what they definitely do not want. Initiators in cultural change name events, share interpretations and invite others to share their vision. Through this they create space for dialogue and give meaning in that. In these interactions they form the culture of organizations together with others. They also tell stories and inspire others through that.
Authentic leadership
The leaders in this study know what is important inside and outside the organization. They are conscious of their environment, have a social consciousness and are self-conscious. Through a sensitivity to what is happening in the environment, they see new possibilities. They know what is happening in the organization and what people allow themselves to be controlled by. This enables them to connect to the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. The leaders also know themselves with their strong and weak characteristics. They know who they are and they know their own motives. They are accessible and can be approached, organize honest feedback and are not afraid to make emotions discussable.

Episodic cultural change and gradual cultural development
The transformational leaders in the study make a choice about the approach they will use to bring about a cultural change. The previous section already showed that they mainly choose a step-by-step and interactive change strategy. The choice for a specific change strategy can now be clarified further. In crisis situations, leaders often choose to change strategy and structure drastically and apply an episodic change to the existing culture. In prosperous times, leaders are more likely to choose a gradual change of the strategy and structure and a continuous process of cultural development.

In this book, seven organizations recognize a crisis situation. In four of the organizations, the crisis forms an immediate threat to the continued existence. In those companies, top managers take the initiative for a deep change of strategy, structure, systems and culture. They name the problems, build a leading coalition, formulate a new vision, plot out a strategy, choose a different customer approach, invest in their service, change structures, save costs and introduce new values. In three organizations, the legitimacy of the organization is at stake. Here too, management takes the initiative for a deep change. They also formulate a new vision and invest in renewal. However, they aim mainly at renewal of the service, the relationships of cooperation and the cultural values. The top managers of the companies whose continued existence or legitimacy is under pressure do not panic. They see to a good financial basis, keep the focus on their market and set to work energetically. They emphasize their unique strength and look for new market possibilities. They save costs and choose for decentralized control of market-oriented activities. They profile their strong points and continue to innovate.

The organizations that are not experiencing a crisis choose to develop their strategy, structure, systems and culture gradually. They emphasize continuity, confirm existing values and demonstrate a lot of trust in the strength of the employees and managers. They invite the employees and managers to participate in the change process. Successful companies with a strong organizational culture often choose a process of gradual cultural development. There is no need for a fundamental cultural change and moreover, it would be difficult, because people would not see the reason for any change. The culture is also difficult to fathom, because people are no longer conscious of many cultural values and basic assumptions. Episodic cultural changes are not often encountered in successful companies. Now we can enrich the distinction described in part 1 between episodic cultural change and gradual cultural development with leadership behavior demonstrated in the organizations that work on successful cultural change. Table 16.2 shows a good list of what leaders do in specific situations to change the culture of their organization successfully.
Leaders who are confronted with a crisis situation often start with an episodic cultural change. They do not leave the crisis unused. One disadvantage of the episodic cultural change is that the leader who saved the organization is seen as a hero. This can lead to a position of dependence on the leader and stagnation of the cultural change. That is why leaders who started with an episodic cultural change switch to gradual cultural development in which they work together with others to safeguard the cultural values and make space for further renewal. Leaders in organizations that are not in crisis are more likely to choose a gradual and continuous cultural development. This choice also has its drawbacks. A strong culture can result in people in the organization clinging on to success formulas from the past and closing themselves off from what is happening in their environment. Leaders can get so caught up themselves with the existing culture and the environment that they can only receive very selective signals about what is happening around them. Years of success can also lead to overconfidence and taking excessively large risks. Maintaining a sensitivity to the
environment is essential in gradual cultural development. Whatever choice is made for the approach to the change, for leaders in cultural change it is quite a job to fathom the existing culture and choose the right interventions to realize change. The interventions used by the leaders to realize successful cultural change are discussed in the next part.
4 Conclusions on interventions for cultural change in organizations

In this section I summarize the use of interventions used by leaders in cultural change. First I examine the use of interactive and meaningful interventions. Then I look at structural and learning interventions. Power and conflict interventions are also elucidated. I then consider the relationship between interventions and change strategies. Finally, I discuss possibilities to combine interventions and the focus on the art of choosing an effective mix of interventions.

**Interactive interventions for deep change**

In companies that successfully change their culture, mostly people who have a leading role in the cultural change choose interactive interventions. It doesn’t matter what the reason is for the cultural change. Interactive interventions are useful and valuable in episodic cultural change in crisis situations and for gradual cultural development that allows companies to qualify for the future and increase their customer value. It also doesn’t matter which sectors the organizations operate in. The interventions are used in profit organization, service companies, knowledge industry, care institutions and government services. It is clear that interactive interventions can be used across a broad range of situations.

Interactive interventions are intended to bring people together so they can exchange pictures, interpret their situations, develop a shared vision and undertake communal action to bring about renewal. Interactive interventions also stimulate people to search together for the underlying values that guide their behavior. The interventions affect the values and basic assumptions of an organization. When values change, it is about people knowing each other and a certain basis of trust arising in each other and in the future.

**Meaningful interventions to guide change**

Meaningful interventions are also used a great deal in cultural change. Here too, the reason for cultural change and the sector the organization operates in do not make any difference. The interventions can be applied widely and leaders in cultural change often use them. Leaders in cultural change use these interventions to envision the future. They guide the change, tackle people about their ambitions and they tempt others to participate and work on the future together.

Meaningful interventions assume that people who talk and work with each other give meaning together to the reality in which they live. From those pictures of reality, people take the initiative to have meaning. Meaningful interventions aim at organizing meetings at which people search for the meaning of their work, the meaning of working together and the meaning of the company they work for. It is usually top managers who initiate meaningful interventions. It concerns providing guidance through the use of core values, stories, artefacts and symbols that reflect the values of the company. It is also about giving space to others to be meaningful themselves. Giving space mainly occurs in organizations where many professionals work. Guiding the meaning of a company and giving professionals space to be of meaning can aim at the organization as a whole and permeate through all levels of the organization.

**Structural interventions to reinvent business processes**

In organizations that understand the rules of the market, leaders regularly choose structural and instrumental interventions. They are interventions that affect structures, systems and work patterns directly. This concerns the indirect influence of behavior through drastic changes to the context in which people do their work. The structural and instrumental interventions are
based on the idea that people allow their behavior to be guided by structures and systems, and by the rewarding of behavior. It is striking that leaders in cultural change do not use large-scale cultural programs that concentrate one-sidedly on behavioral change. Only one company chose this intervention and that choice resulted in a lot of opposition and conflict. Large-scale cultural programs appear to be senseless for really changing a culture.

**Learning interventions for continuous change**

In organizations where many professionals work, leaders in cultural change often use learning interventions. Learning interventions invite people to experiment with renewal and to learn from that. This fits in with the professional attitude of professionals and that makes these interventions meaningful and effective in professional environments. The learning interventions are not isolated and are always connected to interactive and meaningful interventions. Meaningful interventions guide the learning process. The learning process itself is often implemented as an interactive activity.

The learning interventions are not training programs or standard courses as can be seen in cultural programs that focus exclusively on behavioral change. Those training programs usually result only in good intentions and cynicism among the employees. With learning interventions it is about learning processes that focus on what is needed and desirable and in which people search, on the basis of their professionalism, for new working methods and methods of cooperation. New working methods with associated values arise from these experiences and they contribute to the person’s own professional identity and the identity of the organization.

**Power and conflict interventions to make space**

Power interventions are used sparingly when changing an organization’s culture. These interventions are often chosen by top managers in businesses that are under pressure or in a state of crisis. If they use power interventions, it is mainly to give direction and create space for renewal by breaking through old working patterns. Power interventions are never used on their own. They go together with interactive, meaningful and structural interventions, but rarely with learning interventions.

Conflict interventions are used to make space for renewal or pay attention to emotions and repair the damage that arose during the episodic changing of the organizational culture. Conflict interventions have a moderating effect in power interventions and are almost always linked to interactive and meaningful interventions.

**Combining interventions**

The above observations show a great deal about the use of interventions. Hard and soft interventions are almost always combined. Choosing interventions is related to the reason for a cultural change. In crisis situations and with episodic cultural change, harder interventions are chosen, such as power interventions and the structural and instrumental interventions. Conflict interventions are then needed to restore trust. With gradual cultural development, soft interventions are chosen more readily, such as interactive, meaningful and learning interventions. Conflict interventions are needed to make space by attacking sacred cows or making it possible to talk about obstacles. Companies that are successful in cultural change never choose power interventions, structural or instrumental interventions exclusively. The interactive and meaningful interventions are leading. Interventions are never an isolated occurrence, but are made up of a well-considered mix of several interventions. In addition, the interventions fit in with the chosen change strategy.
Interventions and change strategies

Choosing interactive and meaningful interventions matches the gradual and interactive change strategy described in part 2 of this book. Power interventions correspond with the power strategy, and the structural and instrumental interventions match the planned strategy. The conflict interventions go well with the negotiating strategy. Learning interventions match the learning strategy well for changing and help in anchoring the cultural change. The learning strategy for cultural change is never an isolated occurrence and is embedded in the developmental and transformational change strategy. Ensuring that interventions correspond with the reason for the change and the chosen change strategy contributes to the success of cultural change in organizations. Correspondence reduces the uncertainty of people in the company and contributes to a robust change strategy. That is why looking for correspondence is an important point for attention for leaders in cultural change who strive towards increasing customer value.

The figure below shows a correspondence between the chosen change strategy and interventions that suit it well. The sizes of the circles correspond with the frequency of the application in the interventions. The more the balls are in the foreground, the more explicitly visible the interventions are in their use.

Correspondence of change strategy and interventions
Successful cultural change mainly involves meaningful interventions that are used in combination with a developmental, learning and transformational change strategy. If the continued existence of the organization is at risk, structural interventions in a planned strategy can also be chosen. The interventions that suit a power and negotiation strategy are rarely used and do not appear to have much effect for cultural change. It is striking that the most-used interventions affect the identity and business idea of an organization directly.

**Effective intervention mix**

The question of how effective interventions are also plays a part when you choose interventions. The following guidelines are useful for arriving at an effective choice:

- Before choosing interventions that affect the culture of an organization, as much information and factual material must be gathered as possible. This consists of indisputable facts and telling examples that show why things can no longer go on the way they are.
- Successive interventions must connect to each other so that they form a logical whole and leaders in cultural change can maximize the effectiveness of a set of interventions.
- Interventions are efficient if leaders in cultural change do not perform any unnecessary interventions and take into consideration organizational resources such as time, effort and money.
- To achieve episodic cultural change, interventions are performed in a short period of time. For cultural development the period for the sequence of interventions must not be too long.
- Interventions that aim at clarifying the mission and identity of the company are usually the first ones thought of. Meaningful interventions can be useful in this. A good follow-up step is the articulation of an attractive picture of the future and concretization of the strategic course. Interactive interventions can help to concretize the strategic course. With drastic cultural change, it is obvious to tackle the work practices by changing structures and technology using functional interventions.
- The entirety of interventions must have has few dysfunctional effects as possible, such as uncertainty, unfulfilled expectations or psychological damage to individuals.
- The interventions tie in with the overarching change strategy and the experience of the people who take the initiative in a cultural change. This also concerns the suitability for one’s own role and own formal position within the business.
- Leaders in cultural change continually monitor the effectiveness of interventions and if necessary, choose a different intervention mix if the existing mix does not contribute sufficiently to the change in the organizational culture and the intended objectives of the change.

**Choosing an effective intervention mix**

Choosing an optimum intervention mix depends every time on the situation the company is in and the phase of the cultural change. It is about balancing between interventions. The practice of the companies in this study can give a few handholds for arriving at a mix:

- Interventions match the choice for an episodic cultural change or a gradual cultural development. With episodic cultural change, hard interventions are logical for the early phase. Cultural development is more suited to soft interventions.
- Hard interventions on their own are not enough to realize a cultural change. Power interventions can help in getting people moving, while meaningful interventions take care of enticement to get people involved. Interactive interventions create commitment in the change and provide a support base.
- Hard interventions are always combined with meaningful and interactive interventions. Soft interventions are good for combining too. Sometimes you need to make space for soft
interventions by using power, saying how things are and drawing boundaries, and by articulating what is no longer acceptable.

- Interventions correspond with the chosen change approach. This correspondence reduces uncertainty about the cultural change, gives the people concerned clarity about the direction of the change and contributes to the confidence that the change is desirable and feasible.

- It is important that there is correspondence in the intervention mix. Nevertheless, it is possible to switch between hard and soft interventions. In crisis situations, leaders often start with an episodic cultural change and hard interventions. They switch at a later phase to cultural development and more soft interventions. Leaders who choose for cultural development and soft interventions are willing to switch at a certain moment to hard interventions such as a change of players if the current players are not capable of making the soft interventions effective.

- Communicating about the change strategy and the interventions, making the progress visible and celebrating successes provide support to the cultural change and the chosen change strategy and intervention mix.

People who take the initiative to change the culture of their organization will find that there are very many interventions available. The interventions described come from the real life situations of nineteen companies that worked successfully on cultural change. They are a source of experience and ideas that can inspire others to make a success of the cultural change in their own organization. Given a specific situation, the art is in arriving at a consistent combination of interventions that match the reason for the change and the overarching change strategy.
5 Essentials of cultural change and leadership in organizations

This final section contains the essentials about leadership and successful cultural change in organizations. I look back briefly at the perspectives on culture and cultural change. Then I discuss the role of leaders and interventions for change. I conclude with a summary of the eight cultural routes for change and how leaders can take the initiative to change the culture of their organization successfully.

Don’t dare call it culture
The culture of organizations is not an abstract concept or something you can just tinker with. An organizational culture is an active and continuous process in which people form the identity of the organization together in the way they work together and live together. People in organizations construct a reality together, a reality in which they give meaning to events and with which they define their own truth. This truth guides behavior. The culture in an organization is made up of several layers. The core consists of the basic assumptions, the identity and the values. The customs and competences are visible cultural forms of behavior, even if people are not always aware of them. The individual behavior and the interactions between people are visible, even if people can interpret the intentions of the behavior differently. In the end, it is about how they perform their work and what people and groups in the environment notice about that. The organizational culture affects the business idea of an organization. The business idea concerns the social meaning, customer value, unique competences and the distinguishing strength of an organization.

Cultural change is not a goal in itself. The changes have a reason and are rooted in ambitions for the future. It is about:
- Surviving crisis situation.
- Strengthening legitimacy
- International expansion
- Qualifying for the future
- Reinventing business propositions
- Appreciating and valuing variety
- Breakthrough innovation
- Maximizing customer value

None of the companies actually uses the word cultural change for the changes they work on. It is a continual change process that takes several years in which directors, top managers, superiors, professionals and employees work on their future. In the change process, the identity and the values that guide the mutual cooperation and the relationships with the environment gain shape. The companies in this book have a clear vision of what the needs of their customers are and how they can give substance to them. The customer value is the main thing. They have balanced attention in the changes for their mission and vision, the strategy, the structures and systems and the relationship with customers. They have an eye for the work practices, the collaborative processes and the underlying values. Changes to strategy, structures and systems bring about changes in the daily work practices. Articulating the identity, identifying values and making behavior explicit brings a deepening towards the basic assumptions. Cultural change concerns deep change, with all layers of the organizational culture being given attention. People who work successfully on cultural change, do not call it cultural change.
Organizing interactions and sense making
Cultural change comes down to forming a vital coalition with people who dare to stick their necks out and take the initiative. Successful cultural change requires a vision of the future and a joint effort by people who can realize changes. A successful approach to cultural change in organizations has six basic principles. The basic principles are the conditions of successful cultural change. Disregarding the basic principles leads to almost certain failure of the change.

Basic principles for cultural change strategies in organisations are:
- Understanding and sharing the basis of organization’s success;
- Focusing on customer value and value driven business processes;
- Breaking out of the existing and restrictive frames of thinking using strategic conversations;
- Bringing people together to imagine attractive futures and building future scenarios;
- Forming a vital coalition that initiates and guides the change process;
- Consciously balancing inspirational and Transformational change strategies;
- Monitoring the change process and adjusting aims and approaches when needed;
- Playing with inspiration and direction, rest and rhythm, sense and space.

Changing step-by-step in a conscious and continuous way is most successful for cultural change in organizations.

The general success factors for cultural change are:
- Initiate profound change with a vital coalition which takes the lead;
- Appreciate the successes of the past and value the strengths of the organization;
- Create trust through dialogue with business partners, customers and employees;
- Develop the business idea and envisioning a desirable future;
- Balance between existing identity and breakthrough innovation;
- Deliberate and discuss the change strategies and roles in the change process;
- Engage management, employees and customers in the change process;
- Invest in professional development and learning;
- Monitor the change process continuously to adjust when necessary;
- Visualize results and contributions to the business idea and share successes.

Other factors for successful cultural change are dependent on the context of the organization and connected to the drivers for change and the specific trajectories.

There is no best method of change. Each time it involves making conscious decisions on how to design a change process that ties in with the reason and the ambitions of the organization. Organizations that are successful in cultural change aim at creating added value for customers. The ambitions are leading. The point is to qualify for the future and not to disqualify the past. The strengths from the past are used to make the change work out.

Changing starts with reflection. This not only means finding out the reason for the change and understanding the existing organizational culture, but also thinking through a suitable change approach. Points of attention to consider in setting up the change process are:
- Degree of urgency and necessity of changing.
- Pressure from shareholders, politics and media.
- Degree to which employees trust management.
- Power distance between management and operational staff.
- The level of change and the reason for the changes.
- The unmanageability of the technical and financial systems.
- Positive and negative experiences with previous change processes.
- The quality of management and commitment of professionals.
- Knowledge and skills to design changes and supervise them.
- The willingness of leaders to use power and give space.

Leaders in cultural change often choose a gradual change approach that involves employees from all levels. Cultural programs that concentrate exclusively on behavioral change do not work. A tightly planned, top-down change approach is rarely chosen. The main thing is gradual and interactive changes with input from the people involved and a restrained use of power. A developmental and transformative change strategy is mainly used, supported by a learning strategy. In the gradual approach, leaders in cultural change monitor the progress and make adjustments if necessary. There is minimal input from external advisors. Organizations that are successful in cultural change choose to implement the cultural changes under their own steam.

Successful companies with a strong identity choose a process of gradual cultural development. There is no need for a fundamental cultural change and moreover, it would be difficult, because people involved would not see the reason for any change. The culture is also difficult to fathom, because people are not conscious of many cultural values and basic assumptions. With gradual development, people at all levels contribute to the development of basic assumptions, values and identity. Episodic cultural changes are not often encountered in successful companies. In companies in a crisis situation, top managers take the initiative for a deep change of strategy, structure, systems and culture. They name the problems, build a leading coalition, formulate a new vision, plot out a strategy, choose a different customer approach, invest in their service, change structures, renew systems, save costs and introduce new values.

Organizational culture and leadership
Leaders in cultural change are people who take the initiative, stick their neck out and question existing patterns. Cultural changes are not just a matter for top managers and directors, even if a cultural change is more difficult without the support of top managers. The initiative can still be taken from any role and any position. Often it is the managers, professionals and employees who take the initiative to change the culture from a sincere feeling that things have to be different and can be different. Assuming leadership in change means being engaged change.

Leaders in cultural change give meaning to the course of events by interpreting unclear or special events. They concentrate more on possibilities than on threats or problems. They know what the organization stands by and what it goes for, and they know what affects people. They are a role model to others and they do what they say. They make cultural values explicit and work on making these values concrete in behavior. They actively involve other members of the organization and external interested parties in the articulation of a meaningful, attractive and feasible vision of the future. Trust and space from leaders motivate others to get to work on a new vision in their own working environment and invite people to experiment with renewal. Leaders in cultural change indicate boundaries and are clear in what they do not want. They form vital coalitions to give shape to changes. They are willing to change players if this makes the transformation easier. The leaders stay optimistic, show progress and make successes visible. Leaders in cultural change are authentic, give meaning and work transformational.
Authentic leaders know what is important inside and outside the organization. They are conscious of their environment, have a social consciousness and are self-conscious. Through their sensitivity to what is happening in the environment, they see new possibilities. They know what is important in the organization and what people allow themselves to be controlled by. This enables them connect to the emotions and ambitions of others and they are able to direct the energy of the people in the organization to the future. The leaders also know themselves with their strong and weak characteristics. They know who they are and they know their own motives. They are accessible and can be approached, organize honest feedback and are not afraid to make emotions discussable.

Meaningful leaders deliberately pay attention to specific cases and events. In crisis situations, they step forward to identify the situation and tackle it. They are explicit about what they believe is important, what they attach value to, and what they definitely do not want. Initiators in cultural change name events, share interpretations and invite others to share their vision. Through this they create space for dialogue and in that space, they give meaning. They sketch an attractive picture of the future, tell stories and inspire others with them to participate.

Transformational leaders have a deep understanding of the fundamental values in our society and of the social and emotional needs of people. They are conscious of their environment and they are socially conscious. Transformational leaders are curious, explorative and have broad interests. They have a learning attitude and know what they are like, with their strong and their weak sides. They are capable of seeing connections between widely varying developments. They sense when something is an incidental disruption of a work system and when something is symptomatic of fundamental change. They know how to operate in order to solve conflicts and how they can put tensions to use for renewal. They are aware of the values and standards of a social system and recognize when those rules have to be modified. They listen to others and have the capability of trusting others and building trust. They are inspiring and make an effort to realize cultural changes with others.

Organizing interactions and sense making
To keep changes going, leaders in cultural change mainly choose interactive interventions. Interactive interventions also stimulate people to search together for the underlying values that guide their behavior. These interactions can be applied widely. Their use does not depend on the reason for change, the sector or the size of the organization. Interactive interventions are intended to bring people together so they can exchange pictures, interpret their situations, develop a shared vision and undertake communal action to bring about renewal. The interventions affect the values and basic assumptions of an organization. When values change, it is about people knowing each other and a certain basis of trust arising in each other and in the future. Anyone in the organization can take the initiative for an interactive intervention.

Meaningful interventions are also used a great deal in cultural change. Meaningful interventions assume that people who talk and work with each other give meaning together to the reality in which they live. Here too, the reason for change, the sector and the size of the organization are not relevant. The interventions can be applied in many situations and leaders in cultural change often use them. Leaders use these interventions to envision the future. They give direction to the change and tackle people about their ambitions. They entice others to participate and work on the future together. It is usually top managers who initiate meaningful interventions. It is about providing guidance through the use of core values, stories, artifacts and symbols that reflect the values of the company. It is also about giving space to others to
be meaningful themselves. Giving space mainly occurs in organizations where many professionals work.

In organizations that understand the rules of the market, top managers regularly choose structural and instrumental interventions. They are interventions that affect structures, systems and work practices indirectly. This concerns the indirect influence of behavior through drastic changes to the context in which people do their work. It is striking that leaders in cultural change do not use large-scale cultural programs that concentrate one-sidedly on behavioral change. Large-scale behavioral programs are senseless for really changing a culture.

Learning interventions are often used in organizations that employ many professionals. These learning interventions invite people to experiment with renewal and to learn from that. This fits in with the professional attitude of professionals and that makes these interventions meaningful and effective in professional environments. Learning interventions are not about behavioral training or standard educational courses. They are about learning processes that focus on what is needed and desirable and in which people search, on the basis of their professionalism, for new working methods and methods of cooperation. New working methods with associated values arise from these experiences and they contribute to the person’s own professional identity and the identity of the organization. The learning interventions are not isolated and are always connected to interactive and meaningful interventions.

Conflict interventions are used to create space for renewal or pay attention to emotions. Power interventions are used sparingly when changing an organization’s culture. These interventions are often chosen by top managers in businesses that are under pressure or in a state of crisis. The power interventions are mainly used to break through old work patterns and thus make space for renewal. Power interventions are never used on their own. They go together with interactive, meaningful and structural interventions, but rarely with learning interventions.

Essentials of cultural change and leadership in organizations
We can distinguish eight routes for cultural change that match the reasons for change and the ambitions of the organization. The routes not only describe the why and the what for of the change, but also describe what changes, how the change is tackled and who changes. In the eight routes, just about everything in an organization changes: the strategy, structures and systems, and the culture. When they choose their change strategy, leaders in change always choose a careful mix of several approaches for change and specific interventions that fit the issue and the context of the change. The initiators are people from the organization itself. They can be top managers or superiors. They can also be the professionals or the employees. In every case, it is the people who have the courage to row against the current. They demonstrate leadership by taking the initiative.

The companies in this book are successful. The commercial companies are able to beat a crisis, have high customer appreciation and are more successful than their rivals. International enterprises are successful in international mergers and are thus able to strengthen their competitive position. Organizations in the care sector develop innovative care concepts that suit the needs of patients, the dignity of people with a limited mental capacity and young people with problems. Governments and government services are able to shake off the shackles of bureaucracy. They strengthen their legitimacy and realize high quality service to citizens and businesses.
The eight starting points form trajectories for cultural change in organizations. These trajectories are imaged in the figure below.

Trajectories for cultural change in organizations

This book offers a wealth of examples of leaders who work successfully on cultural change. They do not talk about cultural change but take the initiative to realize ambitions together with others and increase the customer value of their organization. The book contains inspiration and handholds for being a leader in cultural change. I wish you success in realizing that ambition and with your own role as leader in cultural change.