

9.4 COMPONENT 2.2: ASSESSING CULTURE

9.4.1 Overview

The organizational culture has a direct impact on how resistance manifests. For example, in an open organizational culture, the resistance will be visible, as employees talk with their boss about everything without any inhibitions. Conversely, in a closed organizational culture, most of the resistance will be passive and/or hidden, as most employees never tell their boss what they really think. Culture assessment is one of the most important steps in successfully managing change resistance.

Strategy and culture are the two main organizational elements that govern transformational changes in organizations. The strategy explains the change goals from a logical perspective, while the culture expresses the change from a values perspective. In order to have a successful and motivating change, the three elements; strategy, culture, and change must be aligned.

The difficulty in assessing the culture lies in the fact that the real values are largely unspoken and invisible. It can only be observed through behaviors, practices, and shared norms.

A good way to shoot yourself in the foot while leading a transformational change is to ignore the behaviors and mindsets of the people involved. It is important to allocate some time to troubleshoot the existing culture to understand these behaviors and mindsets. This could be done intuitively or by conducting a survey from one of the organizational culture models.

Understanding the culture will also give us an understanding of how the people inside the organization will deal with or resist the change.

Important Note

Culture is magically transferred to the newcomers of any group, slipping into their minds and hearts and directing most of their practices and behaviors.

Changing the culture with regard to behaviors and mindset is essential in change management. However, it can be difficult to change in a relatively short time, especially if it is a threat to traditional norms and long-time ways of doing things.

According to Alas and Vadi (2014), when employees seek information about a change, they mainly focus on aspects related to their values, behaviors, and mindsets. Therefore, understanding the culture would help identify the most appropriate strategy and tactics to be applied to successfully achieve the change.

9.4.2 Objective

The objective of this component is to identify the culture elements that may hinder or motivate the change implementation and to ensure having the right change values and core values in place.

By the end of this component, you should have answers to the following questions:

- What cultural elements do we anticipate to conflict with the change?

- What are the dominant behaviors and mindsets with respect to the change initiative?
- How do people interact and relate to each other?
- What is the willingness to change from the culture perspective?

Changing behaviors and mindsets is one of the biggest challenges in change management. Many of the sources of change resistance are related to culture. Many cultural issues have the potential to impact the implementation of a change, such as bureaucracy, complacency, anxiety, mistrust, uncertainty avoidance, and power distance, leadership style, etc. The list is very long! Developing this component will help us determine the cultural source of resistance before starting our challenging culture change journey.

The objective is achieved by developing the deliverables that are shown in Figure 9-19.



Figure 9-19. Deliverables of the Assessing Culture Component

9.4.3 Deliverable 1: Culture Readiness Assessment

The objective of this deliverable is to identify the degree to which the culture motivates or hinders the implementation of new change.

To assess the culture readiness, we will use Elkattan's 8-Style Culture Framework, which was adapted from Hofstede Model for National Culture, the Multi-Focus Model for Organizational Culture, and The Leader's Guide to Corporate Culture: How to Manage the Eight Critical Elements of Organizational Life (Harvard Business School).

The styles are specific sub-dimensions derived from the six dimensions of the Multi-Focus Model that was described in Chapter 6. They indicate to what degree the organizational culture either motivates or hinders the implementation of new change.

Figure 9-20 shows the eight styles: (1) Bureaucracy vs. results, (2) Complacency vs. urgency, (3) Anxiety vs. safety, (4) Silos vs. knowledge sharing, (5) Mistrust vs. trust, (6) Uncertainty avoidance, (7) Power distance, and (8) Innovation.

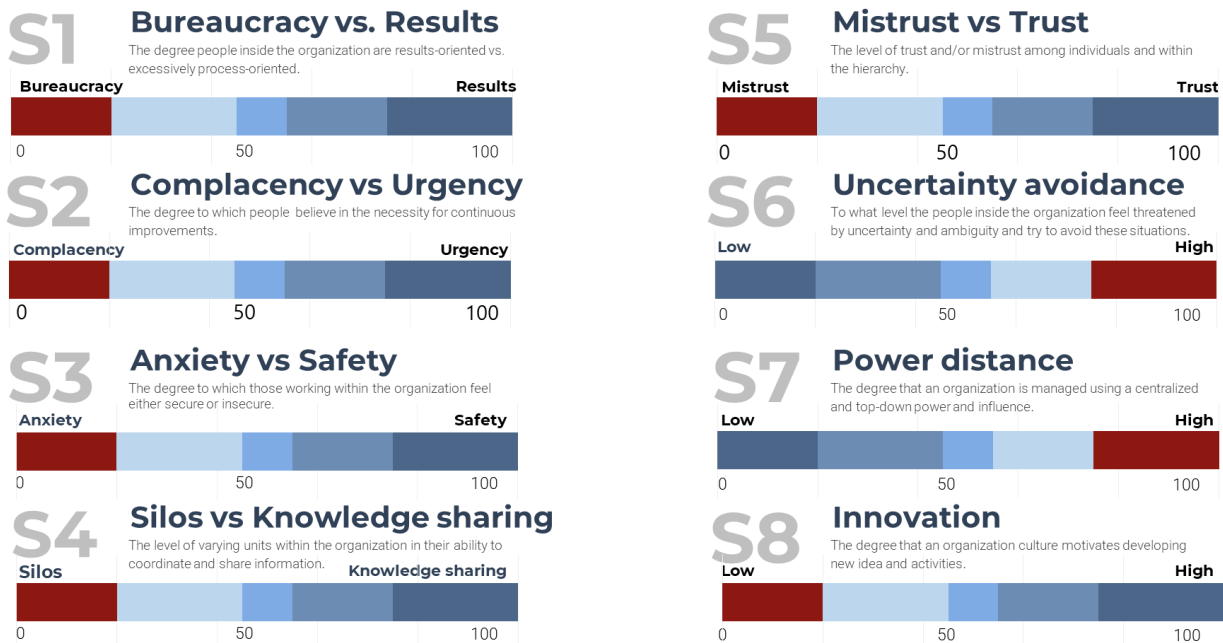


Figure 9-20. ElKattan's Style Framework for Culture Readiness

Important Note

During the transition period, it is more effective to offer rewards that are behavior-based rather than skill-based.

Following is a description of the eight culture styles:

1. Bureaucracy vs. results culture style. This culture style is related to the degree people inside the organization are results-oriented vs. excessively process-oriented. The below figure shows the behaviors and mindset of this culture style.

Organizations leaning more toward a results-driven culture tend to be inclined to embrace change. The results culture style occurs when combining the first two dimensions of the Multi-Focus Model (means-oriented vs. goal-oriented and internally driven vs. externally driven). Higher scores in these two dimensions are demonstrative of a results culture style or forward-leaning tendency toward a willingness to change.

On the other hand, as seen in Chapter 6, having both a means-oriented and internally driven culture produces a bureaucratic culture, resulting in exceptional challenges in implementing change, particularly if urgent changes are required. Thus, an excessively bureaucratic organization will normally face resistance to change. Counterbalancing a bureaucratic culture is achieved by supporting a goal-oriented and externally driven culture.

S1: Bureaucracy vs. Results

The degree people inside the organization are results-oriented vs. excessively process-oriented

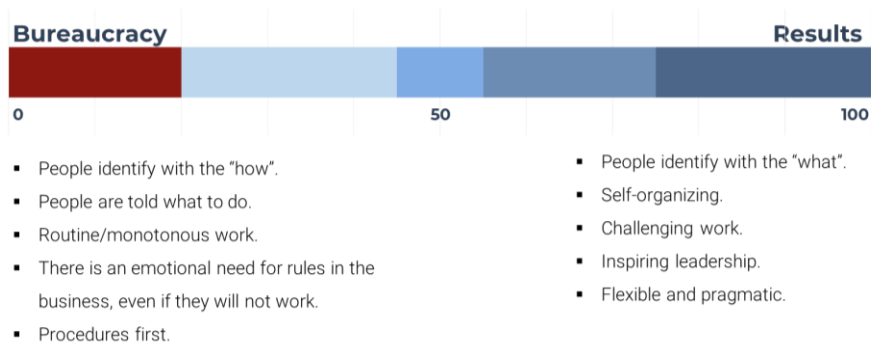


Figure 9-21. Bureaucracy vs. Results Culture Style

2. Complacency vs. urgency culture style. This culture style reflects the degree to which people believe in the necessity for continuous improvements. The below figure shows the behaviors and mindset of this culture style.

S2: Complacency vs Urgency

The degree to which people believe in the necessity for continuous improvements

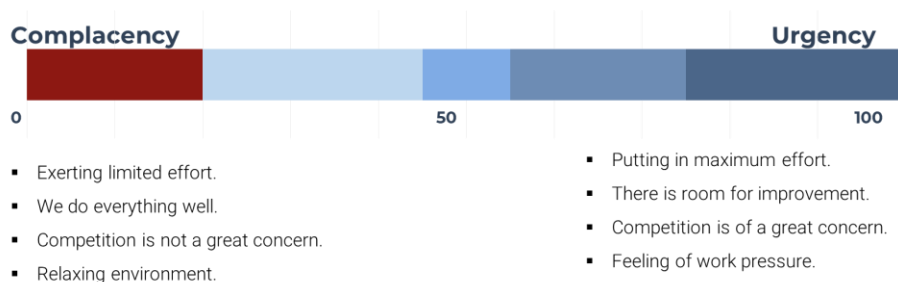


Figure 9-22. Complacency vs. Urgency Culture Style

Complacency occurs when the perception exists that there is little room for improvement, necessitating the establishment of a sense of urgency to achieve engagement in the change initiative. Complacency is one of the main obstacles to have a successful implementation of any change initiative; elevated levels of complacency directly correlate to personnel reluctance in accepting or participating in change initiatives.

Complacency as a culture appears in an organization for many reasons, including, but not limited to, discrepancies in competition, poorly defined delivery deadlines, a lack of follow-up by management, or simply due to a highly internally driven culture; an example of which might be found within governmental entities. Complacency can be identified by the way people work and respond to requests. Sources of complacency may or may not include the following:

- Setting targets that can be easily achieved.
- A lack of performance feedback.
- Focusing on narrow goals.

- Excessively positive and cheerful speaking of management.
- Lack of discussion with employees about problems, opportunities, or potential crises.

Balancing cultural complacency may require the introduction of practices that encourage a higher level of work-oriented culture within the organization.

Complacency vs. urgency style can be identified by the following:

- Identifying if employees are making their utmost effort or not.
- Identifying if employees feel threatened by competition.
- Identifying if employees are inclined toward striving to be or remaining ahead of competitors.

A strong sense of urgency can decrease complacency. This can be accomplished by continuously communicating the risks of being complacent toward change on both the part of the organization and the individual.

The culture of complacency is primarily related to the internally driven culture dimension. However, a balance may be achieved by creating a more goal-oriented, professional, open, and work-oriented culture.

3. Anxiety vs. safety culture style. This culture style reflects the degree to which those working within the organization feel either secure or insecure. The below figure shows the behaviors and mindset of this culture style.

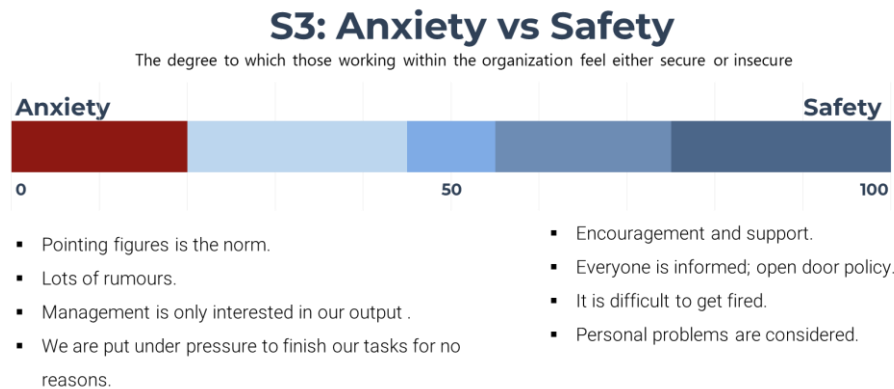


Figure 9-23. Anxiety vs. Safety Culture Style

Normally, people value the need for security and are risk-conscious, preferring to feel themselves in a safe and protected environment; thus, some may also feel less motivated to engage in change that comes with elevated risk or ambiguity. Such a change may create a culture style of anxiety (jeopardy), fear of the unknown or being forced to step outside their comfort zone. The mere idea of change may cause and/or increase anxiety, or a sense of being in jeopardy within the organization; thus, higher anxiety levels within a culture produce increased resistance to change.

The employee-oriented vs. work-oriented dimension that was discussed in Chapter 6 has a genuine impact on this particular style indicative to the degree in which the organization is sincerely concerned

for those striving to excel in their work. An employee's sense of safety is directly correlated to the level of employee-orientation within the organization.

Counterbalancing an excessively anxiety culture is achieved by establishing a goal-oriented, open, and employee-oriented culture.

4. Silos vs. knowledge sharing culture style. This culture style measures the level of varying units within the organization in their ability to coordinate and share information. The below figure shows the behaviors and mindset of this culture style.

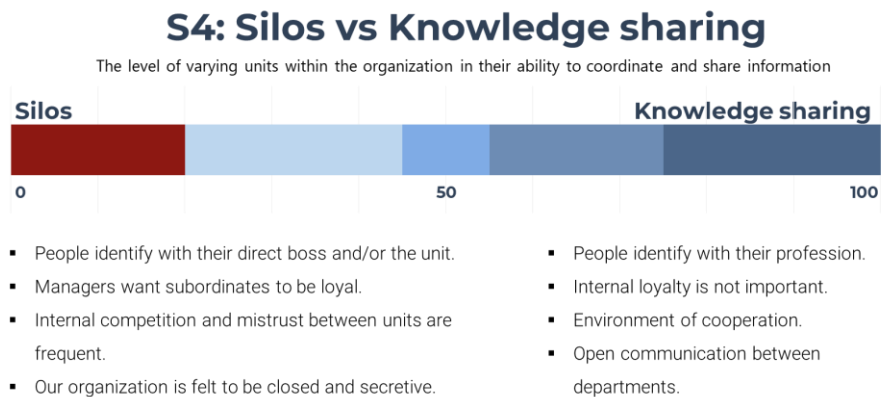


Figure 9-24. Silos vs. Knowledge Sharing Culture Style

A silos style occurs when departments or management fail to share information, demonstrating a lack of common interests and goals. The silo mentality is believed to divisively impact operations by reducing employee morale and may contribute to the overall failure of a company, its products, and/or culture.

Important Note

Each culture dimension has its advantages and disadvantages and that reshaping of the culture should be done in consideration of the context, strategy, and overall scope of the organization.

A knowledge sharing style will maintain a sufficient eagerness-to-learn culture, enabling an organization to continuously evolve and improve.

Establishing this culture is crucial to influencing willingness to change. Generally, organizations that encourage knowledge sharing will have increased levels of creativity and innovation.

People who work in a knowledge sharing culture style enjoy having access to new technology and systems; they are more open-minded, consistently come up with new ideas, and are willing to explore modernized options and alternatives.

Establishment of a balanced knowledge sharing style would require increased employee goal-orientation, less rigidity, and establishing increased level of professional and open culture.

5. Mistrust vs. trust culture style. This culture style indicates the level of trust and/or mistrust among individuals and within the hierarchy. Trust is crucial in the acceptance of change, particularly within

collectivistic cultures. The below figure shows the behaviors and mindset of this culture style.

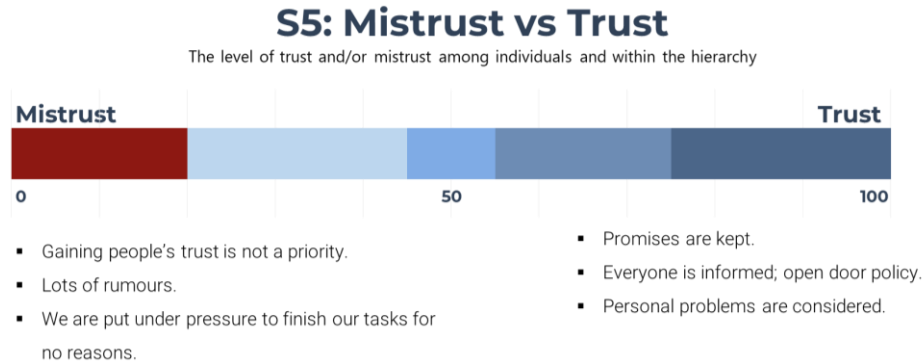


Figure 9-25. Mistrust vs. Trust Culture Style

A combination of goal-oriented, professional, open, and employee-oriented culture creates a culture of trust between employees and the hierarchical levels.

6. Uncertainty avoidance culture style. This culture style indicates to what level the people inside the organization feel threatened by uncertainty and ambiguity and try to avoid these situations. The below figure shows the behaviors and mindset of this culture style.

I adapted below what Ganz (2017) described this culture dimension:

“When an organization has uncertainty avoidance culture, people may be fearful that things will go wrong, or they may fail. They then retract, metaphorically at least, to protect themselves from the danger of the change. On the other hand, when an organization has uncertainty acceptance culture, people may be curious - the unexpected can be exciting, bringing new opportunities for growth, calling them to try new things.”



Figure 9-26. Uncertainty Avoidance Culture Style

This style is primarily related to the uncertainty avoidance national culture dimension that was discussed in Chapter 5. This culture style indicates to what level new ideas and change initiatives are suggested and implemented inside the organization. This style is directly related to innovation and intrapreneurship culture inside the organization.

To have an uncertainty acceptance culture, the organization needs to have a goal-oriented, flexible,

professional, and employee-oriented culture.

7. Power distance culture style. This culture style reflects the degree that an organization is managed using a centralized and top-down power and influence. This value is primarily related to the power distance dimension discussed in Chapter 5. The below figure shows the behaviors and mindset of this culture style.

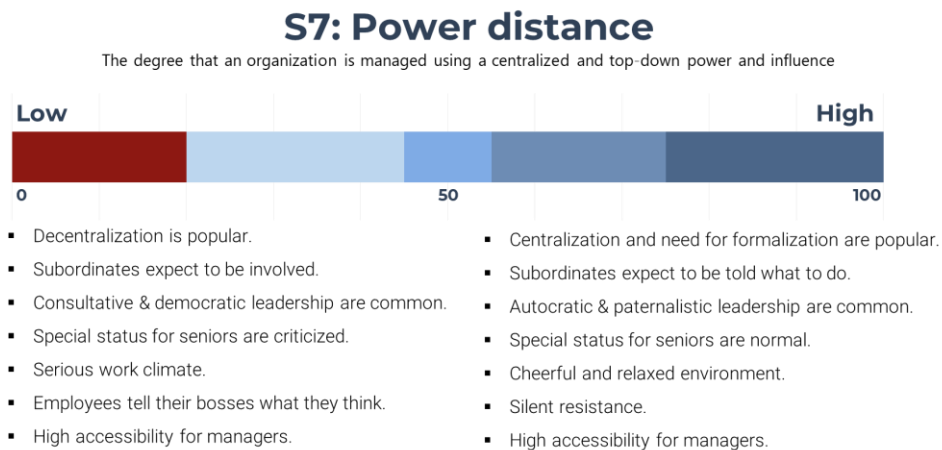


Figure 9-27. Power Distance Culture Style

Excessive power distance produces an elevated authoritarian management style within the organization and is recognizable in the placement of emphasis on control and dominance. People do what they are told to do; their primary concern being to maintain a personal advantage.

An elevated authoritarian style of management within a culture will result in a visible decrease in the willingness to participate in change. Counterbalancing the power distance style is achieved by establishing an increasingly goal-oriented, flexible, professional, open, and employee-oriented culture.

8. Innovation culture style. This culture style reflects the degree that the culture motivates developing new idea and activities. The below figure shows the behaviors and mindset of this culture style.



Figure 9-28. Innovation Culture Style

Culture Readiness Index (CRI)

The Culture Readiness Index (CRI) identifies the degree to which the culture motivates or hinders the implementation of any change. It combines the rating of the culture styles in one index that has a scale from -100 to +100. Figure 9-29 provide an example of the Culture Readiness Index (CRI).

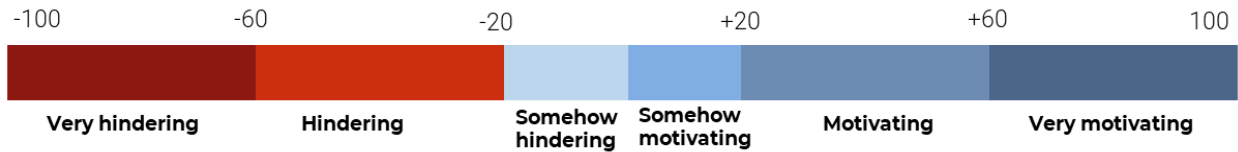


Figure 9-29. Culture Readiness Index (CRI)

9.4.4 Deliverable 2: Value Assessment

The objective of this deliverable is to identify and assess the values that are directly linked to the realization of the change outcomes and benefits. I will refer to these values as the change values.

As discussed in the culture overview that I presented, a value is the sense of broad feelings and emotional tendency in a certain dimension. Most of the time, values are hidden and can only be observed through behaviors and actions.

The values are reflected into the surrounding mindsets and behaviors.

As shown in Figure 9-30, in our change management methodology, we consider three types of values that overlap with each other: (1) Change values, (2) Organizational core values, and (3) Organizational culture values.

The core values are typically suggested by top management to help achieve the strategy, while the change values are typically identified by the change leadership to help achieve the change goals.

On the other hand, the culture values are identified by using one the organizational culture models. This can be done by the organizational culture models such as the Multi-Focus Model that I presented in Chapter 6 and Elkattan's Style Framework that I used to assess the culture readiness.

The change values could be part of the organizational core values and could be totally different; and the change values and the core values could also be part of the organizational culture values and they could be different.

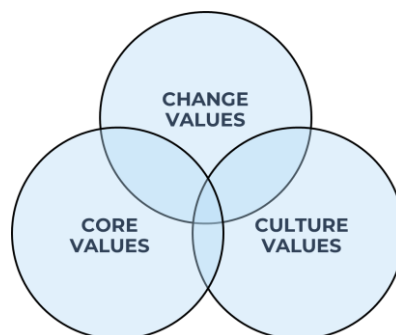


Figure 9-30. Change Values, Core Values, and Culture Values

Therefore, assessing the culture values could be a good step to do before suggesting the change values along with their behaviors and mindsets. The change values (as well as the core values) could be translated in the form of culture practices, not culture values.

The following steps are to be done to deliver the value assessment deliverable:

1. Identifying the change values related to the change goals.
2. Define the set of mindsets and behaviors related to each value.
3. Assess the change values by rating the behaviors and mindsets as: very low, low, in-between, high, or very high.

Before identifying the change values, you may need to conduct interviews or workshops to get answers for the following questions:

- What existing culture elements (values, mindsets, or behaviors) that may not allow stakeholders to work in ways that support the change?
- What existing culture elements conflict with the new behaviors and etiquette required by the change?
- What existing culture elements may hinder the realization of the outcomes and benefits of the change?

Example 9.1 - Activity-based Workplace

Going from a traditional workplace to an activity-based workplace where places are unassigned and shared between all employees has become a common change initiative in recent years.

Working in such a workplace requires shift in the employees' mindsets and behaviors. Such a shift is critical to make sure that the change benefits (such as improved workflow, collaboration, and production) are realized. The change in the culture is also required to overcome the perceived disadvantages such as: lack of privacy, lack of concentration, lack of autonomy, distraction, lack of leadership, etc. Below are some highlights of the main required shift in the culture:

- As everyone used to have their own workspace, a mindset shift is required from 'my office' to 'our office' and from 'my space to 'our space.'
- As everyone is required to work anywhere, a change in behavior is required from 'work at my own desk' to 'work wherever is available.'
- As office space used to be allocated based on status, hierarchy, and authority, a shift in mindset is required from status-based allocation to needs-based allocation.
- More flexibility is required so that employees can make decisions on what workspace best fits their specific needs.
- As there are no assigned offices, reliance on paper should be greatly reduced.

Table 9-10 below shows the identified values, mindsets, and behaviors for the open space environment. A culture of belonging, mindfulness, continuous improvement, and small power distance. Upon finalizing the description of the values along with their set of behaviors and mindsets, they were assessed by the stakeholders to identify to what degree they exist in the current culture.

Table 9-10. *Open Workspace Culture*

Value	Description	Mindset	Behavior
Belonging <i>"We belong to our workplace"</i>	This value reflects the extent to which employees feel the space identity.	<ul style="list-style-type: none"> - It is 'our space' not 'my space' and its 'our office' not 'my office'. - Space is perfectly designed to accommodate our different needs. - My space is your space. Where we all fit and grow. 	<ul style="list-style-type: none"> - Employees are flexible in shifting from 'work at my own desk' to 'work wherever is available'. - People drive their identity largely from the norms and practices of the workplace and environment. - Employees can easily select the right space to support their focus and concentration.
Mindfulness <i>"We are all in it together?"</i>	This value is about the extent to which employees are considerate to each other while working in the workplace.	<ul style="list-style-type: none"> - Our consideration to each other is key for our success. - Open space is meant to support our interaction and unity. - We value collaboration but not at the expense of privacy and concentration when needed. 	<ul style="list-style-type: none"> - Employees avoid distracting others and use the right voice tone in the right place. - Employees are mindful about the space usage and guidelines. - Employees are mindful about what and where to eat and drink. - Employees always leave a clean and tidy workplace. - Employees avoid unnecessary potential conflicts by respecting others' rights for privacy and autonomy. - Reliance on paper is greatly reduced.
Continuous improvement <i>"We are always improving our space"</i>	This value reflects the degree to which employees are constructive toward the workplace.	<ul style="list-style-type: none"> - Nothing is perfect, we will be always improving our workplace norms and practices. 	<ul style="list-style-type: none"> - Employees are comfortable with unfamiliar situations in the workspace. - People are open to feedback from others to always improve the norms and practices. - Employees always provide constructive feedback for further improvement.
Small power distance <i>"Who is the boss here?"</i>	This value reflects the degree that the organization is managed using a decentralized and less top-down power and influence.	<ul style="list-style-type: none"> - Our office space is needs-based allocation not status-based allocation. - High sense of ownership. - Seniors are treated in the same way as the rest of employees. 	<ul style="list-style-type: none"> - Decentralization is popular. - Subordinates expect to be always consulted or involved. - Special status for seniors is not encouraged. - Managers are more tolerant of staff criticism. - Our workplace is cheerful and relaxed.

9.4.5 Deliverable 3: Decision-Making Assessment

The objective of this deliverable is to identify how the decisions are being taken inside the organization to ensure the right alignment with the change goals.

Decision making style is one of the main manifestations that shows if leadership “walk the talk” and apply the claimed values or not. Decisions show which values the organization is sticking and abiding to.

Important Note

It is expected that the employees will have less buy-in for the change if they do not accept the way in which decisions are made by their managers.

The decision-making style is normally part of the leadership style. Below are the styles that will be considered in our assessment.

- **Authoritarian decisions making style:**
This style can be noticed by using fear-based methods, with major important decisions made by the managers alone. Decisions are made with minimum consultation within a very close circle. Then communicated to the employees.
- **Paternalistic decisions making style:**
This style could be common when there are sort of good relationships and trust between the managers and their subordinates. Most important decisions are made in consultation with a close circle. Even though the decisions are not changed, they are explained and justified to the employees before being implemented.
- **Consultative decisions making style:**
This style is reflected when the managers consult with their subordinates before they reach their decisions. They listen to their advice, consider it, and then announce their decision.
- **Participative decisions making style:**
In this style, the issue is put before the group for discussion. The decision is made based on the majority viewpoint.

Managers move between the different decisions making styles. However, there is one style that will closely correspond to them. The technique that we use is to ask the subordinates to rate their satisfaction of the decisions making style. It is also good practice to ask the managers to conduct a self-assessment. A sample results is shown in Table 9-11.

Table 9-11. Decision-Making Assessment Template

	# Of participants	Authoritarian	Paternalistic	Consultative	Participative	Dominant style	Satisfaction with style	Preferred style
Self-assessment		20%	20%	30%	30%	Participative		Participative
Subordinates	20	40%	30%	20%	10%	Authoritarian	Not satisfied	Participative
Comment: Manager needs to be less autocratic								

The output of this assessment provides an understanding of the level of satisfaction employees have with their

managers' decision-making style. This may give some indication of whether or not the managers will be able to lead the change with their current decision-making style.

The satisfaction and acceptance of the decision-making style among employees is an important cultural element that must be assessed.

Previous surveys indicate that most employees prefer a participative style. It is difficult to change the style in a short period of time. Generally, the best style is the one that keeps the subordinates motivated and committed to the change.

9.4.6 Deliverable 4: Leadership Assessment

The objective this deliverable is to identify to what degree the organization's leaders follow the required behaviors and mindsets of the change. The assessment should be communicated to all involved managers, so they are aware of what is expected of them.

The higher the impact of the change, the more crucial the change leadership role will be. Therefore, leading by example is a very powerful strategy to indirectly communicate the change's message and establish the new required behaviors.

As Kotter indicated, the most undermining element of a change is when the behaviors of the leaders are inconsistent with their verbal communication.

As presented in Figure 9-31, the leadership assessment can be conducted by using a tool called the 360-degree leadership match. This tool includes three categories in which the evaluation is conducted: (1) the manager's superiors, (2) the manager's peers at the same level, and (3) the manager's subordinates. Each manager will also conduct a self-assessment.

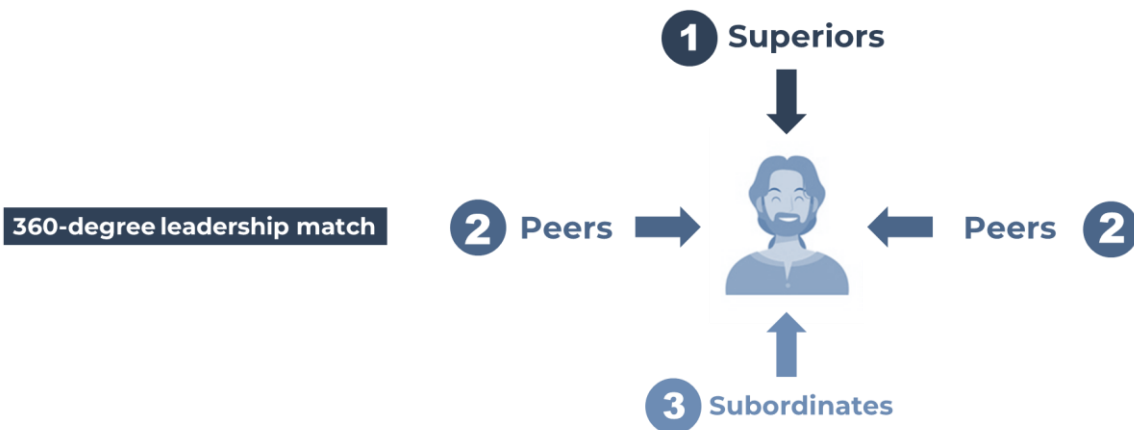


Figure 9-31. 360-Degree leadership Match Tool

This assessment is a direct change tool as the managers will pay attention to the list of behaviors and mindsets that are included in the evaluation.

It is good practice to conduct this 360-degree evaluation during the sustaining and realizing benefits phase as it helps bring attention to the change. This tool is not supposed to measure the management

performance.

The tool should be designed based on the behaviors and mindsets required for the change values. In the survey, the current behaviors of managers are compared with the desired behaviors, which they should endeavor to apply.

This assessment is important as wrong behaviors by a manager may have a very negative impact and may hinder the realization of the change benefits.

Figure 9-32 shows a sample output for a specific manager in which the subordinates see a real conflict between the words and actions while the manager believes that he has a very high match.

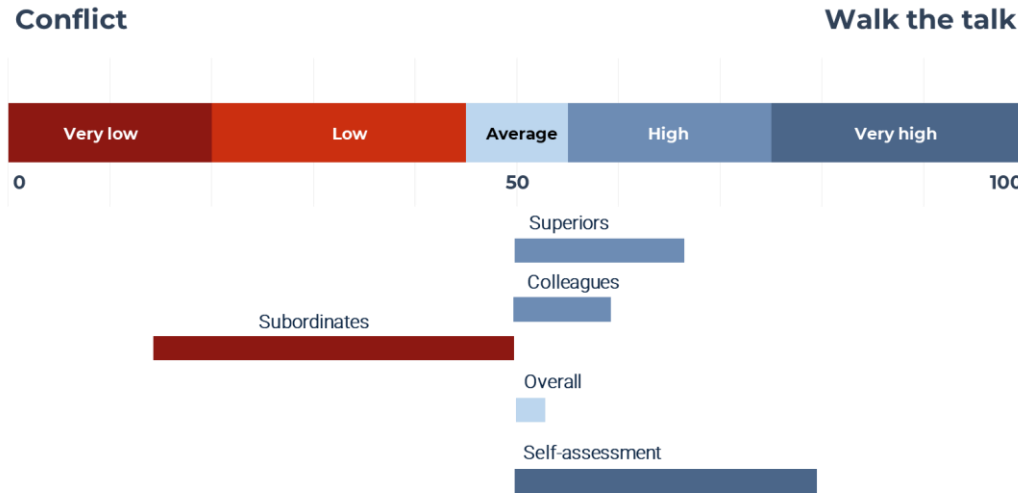


Figure 9-32. Leadership Match Report