

DEMYSTIFYING CULTURE CHANGE

6 things you should know to make
culture change work



The mystery of culture

Culture is one of the key arguments why leaders think transformations succeed or fail and why change and innovation is easy or difficult. It is often seen as the magic wand that drives right behavior but is hard to influence. Some say¹ that even 80% of culture changes fail!

Grasping the concept of culture change is notorious for its complexity, among others because culture is 'invisible' and is ingrained in mindsets (shared attitudes and beliefs that shape behavior), behaviors, and relations.

But is culture always so hard to influence, or are managers and consultants using the wrong perspectives or applying naïve methods with undefined objectives?

Many times, programs on culture have a strong focus on inspiring discussions on the intended culture, stating heartwarming intensions. However, for employees the link to daily reality is mostly too thin and the impact fades away quickly. Sometimes managers and consultants use culture as an alibi for ineffective transformation management.

In this article, you will find a selection of the things you should know to demystify culture and get a handle on becoming the organization you want to be.

1. Martin E. Smith (2007), Success rates for different types of organizational change, Performance Improvement Quarterly

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Behavior is key

When working on culture, leaders often have the wrong focus; they start with trying to change the mindset, this is a cumbersome and time-consuming approach. In a lot of cases it's more effective to use a more pragmatic approach and focus on the visible part of culture: behavior.² What people do is more important than what people think.³ So, if you change behavior, mindsets will follow.

For example, clients of a chemical company were dissatisfied with the services they received. The involved departments blamed each other for the low performance, arguments were based on past events, and decisions were made based on assumptions. Attempts to change this 'blame and shame' culture were not successful.

To start a continuous improvement process, the management decided not to begin with changing the mindset. Instead, they focused on

the joint business objective: less complaints from customers. A continuous improvement team with representatives of the involved departments was set up.

This team started with a simple assignment: have weekly meetings, get insights on the performance, and improve the performance so that the customer complaints could drop to reasonable levels. Rules for the meetings were simple, like: "look back to the performance of last week and forward to the next week", "if something is not clear don't assume but ask open questions" and finally "take decisions based on facts not on assumptions". The first few weeks the team was coached in the new way of working. As the weeks passed, the customer complaints started dropping and coaching shifted to the background as desired habits kicked in. The team internalized the new way of working and started to enrich their performance monitoring dashboard. After three months, the team worked without any support and there was no trace left of the blame-and-shame culture in the weekly continuous improvement meetings. Ownership of objectives resulted in self-initiatives that went far beyond the original objectives.

2. Herrero Leandro (2008), Viral Change, Meetingminds

3. John R. Katzenbach (2019), The critical few: energize your company's culture by choosing what really matters, Penguin LCC US



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Make the new behavior specific and relevant

Generic statements to address desired behavioral change like “entrepreneurship,” “being agile,” or “customer-driven” are too vague. “Being agile” means something completely different when you work in sales or in production. People drop out when they can’t translate these values to their daily work.

Be specific when it comes to making behavioral changes. To make it work, people must understand how the desired behavior is translated to their daily work. So, you have to

make the behavior specific. Instead of saying “be customer centric,” say “pick up the phone in five seconds” or instead of “we collaborate,” say “align with your colleague on topic XYZ every week,” and explain how it contributes to improved business performance.

Make new behavior relevant. Show how new behavior contributes to business objectives and performance. It will help people to understand priorities, and impact on daily work and stay connected. Ensure that the performance can be measured over time.

Sometimes it’s easy to stimulate the desired behavior. A production manager in a manufacturing company wanted to increase cost awareness and decided to put price tags on spare parts. Employees started to make more conscious decisions on things that could be repaired or that could be replaced. This resulted in noticeable reduction of costs and in a change of mindset.



3

Make new behavior normal

Context is king. The way your organization is organized, how your processes and IT work, how you make decisions will have a big influence on the behavior and culture. Process changes or introduction of new supporting systems often result in changing tasks or shifting responsibilities. Sooner or later, this will lead to new behaviors.

Communication, training, and management attention are not enough to make new behavior normal. 95% of the decisions and actions of humans⁴ are subconscious. So, the easier the behavior, the more likely is it to become a new working habit. Below is a selection of things that you can do to make the new behavior easy:

Build in triggers: No behavior happens without a trigger. A trigger can be an external cue, prompt, or warning such as a system alert or an email reminder to motivate or help. A weekly reminder to book the working hours in the system increased timely booking of hours at a consulting firm.

1. Make the behavior intuitive and guide people through a sequence of actions. Checklists for pilots have reduced errors and accidents. Simplifying a form doctors use to prescribe medicines dramatically reduced clinical errors. If you can only do step B in a process when you've completed step A, will ensure completion of A. Make the new behavior a part of existing processes and routines. When the new topic is part of the standard management agenda, it's more likely to become part of the management routine. For instance, disciplined decision making in three steps (conceptualization, judgment, and decision) improved the quality of the decisions in a management team significantly. Facilitate self-monitoring so employees can track their own behavior and performance.
2. If you change the office layout so teams in a process are sitting close together, you will soon notice improved collaboration.
3. Make it social: Social norms have the biggest impact on individual behavior.⁵ People are heavily influenced⁶ by what those around them do and speak. A lot of individual changes happen because individuals copy behavior of the group. Show performance compared to peers, teams, or departments. Encourage employees to share stories that reflect the new way of working and to make commitments to each other. Doctors prescribed less antibiotics after they had

been made aware that they were in the top 20% of antibiotic prescribers in their local area. Telling people who have not completed the mandatory training that most people have completed, will lead to increased compliance. Employees given regular constructive feedback improved their performance.

A high-tech company introduced a new target operating model to improve speed and transparency of spare parts delivery. This included new processes and near-real time tracking of spare parts via dashboards. These dashboards provided employees triggers and additional information to inform clients on status. As a result of these triggers and additional information, interactions with the clients increased. Positive feedback from clients challenged the team to start new initiatives to improve client interactions.

In my blog "Make new behavior stick"⁷ I explain in more detail how you can make new behavior sustainable.

4. Daniel Kahneman (2012), Thinking, fast and slow, Penguin Books Ltd (UK)

5. Jeni Cross (2013), Three myths of behaviour change – what you think you know that you don't, Ted talk <https://www.youtube.com/watch?v=L5d8GW6GdR0>

6. The Behavioural insights team (2012), EAST four simple ways to apply behavioural insights, https://www.behaviouralinsights.co.uk/wp-content/uploads/2015/07/BIT-Publication-EAST_FA_WEB.pdf

7. Vincent van Heumen (2020), Make new behavior stick – changing behavior is hard, changing the context is easy, <https://www.linkedin.com/feed/update/urn:li:activity:6719511908296347648/>

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Programs on culture don't work

Comparative study⁸ proved that programs solely aimed at organization culture or top-down planned culture programs seldom result in a culture change and are mostly a waste of energy. Companies successful in changing cultures don't call it a culture change; they only put it in a separate initiative to kickstart the process. These successful companies focus on business and customer value because they know that culture is deeply rooted in daily work.

5

Scale up new behavior peer-to-peer

A lot of changes are scaled up peer-to-peer because individuals copy behavior of the group. In most organizations, interactions between people take place spontaneously, in informal and invisible networks. Everybody is copy-able, but some people are more copy-able than others. These non-hierarchical influencers can help you to accelerate the scaling up of the new behavior. Identify, for instance via social network analysis, who they are. Reach out to them, ask for their help to e.g., make desired behavior specific and give them support to be the ambassadors of the change.

They can play an important part in spreading changes "in the way we do thing around here" virally across the organization. People are often more open to changes in behavior and stories when these are shared by colleagues and peers. This is often more compelling than the same story told by management.

Involving influencers doesn't dismiss formal leaders to take the lead or to delegate to HR. Leaders in all parts of the company should support the peer-to-peer work and are critical in role-modelling, safeguarding, and championing desired behaviors, energizing, and reinforcing the culture alignment.



8. Jaap Boonstra (2013), Cultural change and leadership in organizations, Wiley-Blackwell

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When it comes to culture you are never done

“When it comes to culture you are never done”⁹ says Kathleen Hogan Chief People Officer of Microsoft.

Over time employees will learn, get new perspectives and the context will change. A growth mindset which fosters openness to trying and learning is key. When employees become open to new ways of looking at what’s possible for them and their organization, they can never return to a state of not having the broader perspective.

Unleash the potential of employees and encourage and empower employees to take initiatives. Make use of the problem-solving capabilities of employees. Involve employees to identify and change mindsets ingrained by past management practices that are not applicable anymore.

Start with small initiatives with high impact. Use action learning so people learn and build on concrete experiences, celebrate, and magnify successes, and make it fun!⁸

Especially in the beginning showcase the impact of initiatives quickly to ensure and build engagement. Be conscious what high impact means; Is it about the biggest business impact? About visibility? Or about high appreciation by employees?

For example¹⁰, at a pharmaceutical company, the operational costs were too high, and agility was too low to respond to the dynamic business needs. The previous improvement

programs with a high involvement of consultants were not successful. The management challenged employees across all levels to take part in company-wide improvement initiatives. In one of the sessions, a production assistant explained to a manager of another department, which was impossible to imagine earlier, that she could often infer at the beginning of the production of a new batch, if it would be rejected when ready. Based on the input of the production assistant, the approval process was changed which resulted in substantial cost reductions. The proactive attitude of the assistant and the impact were communicated (by her) throughout the organization as a good practice and contributed to other employees to come up with improvement ideas.

What’s next?

Culture is deeply rooted in daily work. In this article, I’ve explained that for making a culture change, you can choose on a more pragmatic approach and focus on visible behavior. The process is never easy and is never done, but the principles in this article will help to make it work.

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9. Caterina Bulgarella, Five Ps pave the way to purpose at Microsoft, <https://www.forbes.com/sites/caterinabulgarella/2019/06/11/five-ps-pave-the-way-to-purpose-at-microsoft/?sh=54d18f3679a2>

10. Rob van Es e.a. (2010), Cultuurverandering mythe en realiteit, Kluwer

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