Engaging Leaders in Reframing Organization Culture Change Discussions

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I'm going to share a secret about how to engage leaders in difficult discussions about organization culture change, especially about becoming a high performance culture. It's a secret I discovered a number of years ago, having just joined a Fortune 500 company. First, though, let me set the stage for this discovery. I was asked to speak at a training class of middle managers about creating a high performance culture, since this was a mission critical issue for the company at the time. I had been brought in to Corporate by the new SVP of Human Resources to help drive the organization's transformation from a holding company to an integrated, global organization; to create a company where economies of scale were leveraged and product lines contemporized and harmonized to more effectively and efficiently meet customer demands and achieve growth targets. The company, which operated in over 100 markets, historically, had "one of everything" in each market. The CEO, new at the time, had charged the HR organization to help drive culture change – an initiative essential to the transformation of the company and its new strategic direction.

A large strategy consulting firm had helped lay out the new strategic roadmap. Their assessment of the company included the recommendation that a high performance culture was needed in order to achieve its strategic direction and growth targets. The core of their recommendations centered on the need to become more disciplined with respect to execution, more fact-based in decision making, and place much greater emphasis on differentiating performance. In addition, although the company had a relationship based culture, individual markets operated very autonomously (in silos) and were not accustomed to working across borders or sharing best practices and information.

During my high performance culture presentation to the middle managers, I used the analysis recommended by the consulting firm along with some additional HR material that attempted to align a leadership model to the performance management process and realigned certain aspects of the compensation plan. Though I thought the presentation went well, I learned otherwise when the training class manager called me later that day and said that the class had rebelled after I left the room. Angry comments were shared such as, "How dare an outsider suggest that they were not a high performing organization?" and "How would they have been able to achieve their past success if they had not been making fact- based (good) decisions?" It was clear that the messages about becoming a high performance organization were generating resentment and not much acceptance. People were reacting defensively, not "getting it" and were far from buying-into the change.

The HR leadership team met to discuss the group's reaction as well as the impending launch of a leadership development program for the most

senior 100 leaders in the company. The program was itself an engagement tool designed as a platform for the new CEO to communicate her vision and the need for culture change. The program's centerpiece was individual leadership assessment that included the use of 360-degree feedback built around the company's leadership model, and two personality or personal needs instruments – the Leadership Derailment Report (based on the Hogan Development Survey) and the FIRO-B (Fundamental Interpersonal Relationship Orientation Inventory). As the HR leadership team was regrouping, our leadership development consultant for the program had begun aggregating the data from the two personality assessments. Typically these tools are used in one-on-one coaching to increase self-awareness or in small teams to improve interpersonal relationships. We thought, however, that it might be interesting to look at the aggregated results to determine if there were any trends that might be helpful in understanding the culture and what would be required to implement change. As it turned out, interesting patterns did reveal themselves.

When I received the report from the consultant, the "secret" regarding the resistance I had seen revealed itself. I thought, "This explains everything." I sent the report to my boss, the SVP of HR, who agreed. She then sent it to the CEO who immediately understood the implications of the patterns that had emerged and distributed copies of the report at the next senior team meeting. Table 1 presents some highlights of this "culture analysis" report.

Table 1 – Culture Analysis Highlights

The pattern of high scores on the Leadership Derailment Report revealed a group of leaders who were:

- Creative, entrepreneurial, idea generators who lack the discipline and inclination for follow-through
- Charismatic and enjoyed being the center of attention but had difficulty listening to others, accepting feedback or accepting responsibility for their mistakes; and who may be unaware of their impact on others and the repercussions of their decisions.

Note: The Leadership Derailment Report assesses 11 performance risks that interfere with a person's ability to build relationships with others and create cohesive, goal-oriented teams. These Derailers most commonly occur under stress when individuals lose the capability to self-regulate their behavior. The instrument measures the extent of possible risk of exhibiting these behaviors.

The FIRO-B profile regarding needs for inclusion, control and affection revealed leaders who would be predicted to:

- Operate more autonomously, leading to the creation of silos
- Prefer environments where there is little pressure to share information and recognize others' contribution
- Be reluctant to consider others' ideas and rely on one's own personal judgment and experience
- Be selective in forming relationships ("playing favorites"); personal relationships based on historical experience can be more important than organization structure and reporting relationships in determining how decisions get made

- Prefer environments where there are few structured roles, formal agendas, clearly defined roles and specific areas of accountability
- Be self-reliant, independent and entrepreneurial, but difficult to align
- Display warmth of interpersonal relationships that can be misread as a signal of cooperation and alignment

Note: The FIRO-B instrument measures the extent to which people attempt to satisfy three basic social needs; Inclusion (participation, recognition, belonging), Control (power, authority, influence) and Affection (openness, warmth, closeness). The FIRO-B reports on how well one initiates behavior in these areas – Expressed Behavior and how much one would like others to initiate these behaviors toward them – Wanted Behavior

This culture analysis then seemed to take on a life of its own and spawned numerous conversations in hallways, conference rooms and restrooms! These conversations seemed to be occurring not only because the document so accurately described the current organization culture but because it clearly pinpointed the behavioral gaps between the profile of the current leaders and the changes they were expected to make – gaps the CEO had originally chalked up to resistance. While it pointed to elements of the culture that had in the past contributed to the company's success, it also highlighted potential obstacles to the change we were seeking and explained why execution of the strategy was so difficult. For example the organization was:

Attempting to centralize certain functions and decisions with a profile of leaders who seek autonomy and whose true north is entrepreneurship.

- Striving to focus on execution of a new strategic direction with a profile of leaders who are at their best when generating ideas and creating new products and new business opportunities, not focusing on execution.
- Focusing on process, structure, discipline and some "rules of the road" with a profile of leaders who may view rules as "made to be broken", prefer more fluidity and/or reject uniformity
- Attempting to leverage economies of scale and best practices with a profile of leaders who would rather work in their own silos and are not naturally collaborative
- Trying to create debate during fact-based discussions with a profile of leaders who are warm and friendly, nod their heads yes in agreement and then do whatever they want when they leave the conference room.

We realized that when you talk about culture change or transitioning to a high performance culture, you need to reframe the discussion to avoid defensiveness. The secret was to place the discussion within the context of behavioral patterns. When we did that, the discussion was no longer viewed as a condemnation of the past, and no longer personalized. People were given a language to discuss change that did not imply a criticism. They could look at the need to change a bit more objectively, and consider the development steps they would need to take in order to achieve the company's objectives.

The relationship of leader traits to the creation of organization culture is not new. Moreover, we know that organizations often end up hiring, developing and retaining those individuals with similar characteristics, because of the actual work they are asked to perform (e.g. accountants, lawyers,

marketers, engineers, etc.). However, when you get dominant personality types among large numbers of leaders, you can end up with cultural characteristics that either facilitate or impede what the organization is trying to achieve. I had failed, though, to make this connection between leadership traits revealed through assessment data and the change required by the organization, i.e. how certain behavioral patterns are antithetical to certain types of change. Consequently, an understanding of and buy-in for the change could only be achieved by reframing the conversation about culture and engaging leaders in the process for change by helping them understand the new behaviors required for the organization to succeed. As HR leaders, we also needed to change our mindset from, "the resistance we're seeing suggests that these leaders are not a good fit for what we're trying to accomplish and may have to go" to "these leaders are exhibiting behaviors that present obstacles to our desired culture change and we need to help them move forward."

Analysis and insights were vital first steps but we needed to quickly move to action. Again, the leadership development programs provided the path forward for further engagement and an opportunity to begin shaping the insights and behaviors that we would need. We had a unique opportunity to influence the top 100 leaders in the company. The goals of this program were communication of the CEO's change agenda, leadership alignment, and group, as well as individual action planning that was consistent with what the company was trying to achieve. Based on our insights from the culture analysis we designed an action planning module on culture change. Our goals for the module were to engage the leaders in a dialogue about culture, culture change and help them identify a set of concrete actions that were consistent with the culture we were trying to build. Our focus was on helping the leaders develop new "routines" to replace existing ones, instead of just proclaiming the need for change and hoping it would happen. After the participants received their individual feedback on the Leadership Derailment Report and

FIRO-B, along with their 360-degree feedback, we presented the aggregate results and organization culture implications. Using this analysis as a foundation, we then did small group work around what aspects of the culture would help but also might hinder achievement of the business strategy. Participants had no difficulty pinpointing aspects of the culture and themselves that had brought the organization success and should not change. For example, entrepreneurship was viewed as a strength that would continue to be vital for opening up new markets. They admitted, however, that this very strength could become a potential liability, especially during decisions regarding centralization versus decentralization of certain operations. In many respects, these conversations appeared to be more about the evolution of organization culture rather than culture change, because we were in essence seeking to find the right blend between the old and new. What may have contributed to success in the past was not sufficient for what the organization needed at this point in time.

The output of these discussions allowed us to capture a list of those aspects of the culture that we wanted to retain, as well as those that needed to change. The leaders acknowledged the difficulty of changing their individual, as well as their collective behaviors and so focused on a manageable set of behavioral actions based on the leadership model behaviors. In fact, participants even gave permission to the senior team to "keep them in check" and "call them" on their behavior if they began to stray and fall into old habits.

Sharing the organization profile generated increased individual and group awareness but most importantly provided "labels" and a language that allowed everyone to talk about obstacles to cultural change without feeling threatened. Even though the final session output depicting the changes needed was not that dissimilar from the strategy consultant's original recommendations, the leaders had articulated the changes needed in their own words. They had begun to internalize and own the changes that were needed.

As a postscript, we all know culture change is difficult and always takes much longer than we anticipate. In this organization, the senior team did eventually have to call the leaders on their behavior on more than one occasion and remind them of their commitments. New leaders were brought in to infuse more discipline. The CEO had to bring the culture analysis document out from time to time when even the senior team fell into its old habits.

Since becoming a consultant, I have seen other clients struggle with how to position the conversations about organization culture. New senior leaders brought in from the outside with a mandate for change continue to walk that tightrope between balancing the need for change without condemning the past. Many organizations today, however, may be missing opportunities to take advantage of the assessments being used in leadership development programs to more fully understand some elements of their organization's culture. Admittedly, most personality and personal style instruments are not designed specifically to be cultural assessment tools and the cultural analysis I've described is not a panacea (i.e. there are other more comprehensive ways of assessing culture). However, when you have the opportunity to compile a critical mass of individual data from a number of instruments, you can gain powerful insights into broader organization themes and aspects of the culture that you may not have gotten otherwise. These methods help people assess the culture and actions required to move forward without the risk of encountering resistance based on the appearance of being too judgmental. In addition, as I quickly learned, these insights can help you to accelerate the change process by engaging leaders in the process of cultural change by identifying key issues and giving people an objective language to talk about them.

Lessons Learned About Driving Culture Change

- Describe it as an evolution of organization culture versus culture change.
- There is no right or wrong organization culture. Certain cultures are more consistent with the needs of an organization at a specific point in time than others.
- The line, not HR needs to drive changes in culture.
- New staff may be considered "outsiders" and are not the best to deliver messages about culture change.
- Engage leaders in conversations about organization culture.
- Use aggregate data from personality and personal style instruments to provide insights into organization culture.

Deborrah Himsel is the Global Organization Development Consultant at Thunderbird School of Global Management. She consults, teaches and coaches in the areas of leadership development, organization change, talent management and human resource management. Before entering consulting, Deborrah held senior HR positions at Avon Products Inc., Deutsche Bank and Pfizer. She is the author of the critically acclaimed, Leadership Sopranos Style.