

DEMYSTIFYING CULTURE CHANGE

6 things you should know to make
culture change work



The mystery of culture

When seeking to explain the success or failure of a transformation, leaders often fall back on the rather nebulous idea of "culture." It is often seen as a magic wand that drives needed behavior, but in fact, culture is hard to influence. Some say¹ that up to 80% of culture changes fail!

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

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 intentions. 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 excuse 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*

1

Behavior is key

When working on culture, leaders often have the wrong focus; they start with trying to change the mindset, which 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 departments involved 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 to bring customer complaints down 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



2

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 tune 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 to put it into practice. So, you have to make the

behavior specific. Instead of saying "be customer centric," say "pick up the phone in five seconds." 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 ingrain the desired behavior. One 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, and how you make decisions will have a big influence on the behavior and culture. Process changes or the 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 embed the new behavior. 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. Here is a selection of four things that you can do to make new behavior easy:

1. Build in triggers
2. Make the behavior intuitive and guide people through a sequence of actions
3. Change the office layout
4. Make it social

1. 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.

2. **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, that ensures 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. Facilitate self-monitoring so employees can track their own behavior and performance.
3. **Change the office layout:** If teams are sitting close together, you will soon notice improved collaboration.

4. **Make it social:** Social norms have the biggest impact on individual behavior.⁵ People are heavily influenced⁶ by what those around them say and do. A lot of individual changes happen because individuals copy the 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 it will lead to increased compliance. And employees given regular constructive feedback improve 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/>

4

Programs on culture don't work

According to one comparative study⁸ that looked into the issue, 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 the 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 make your 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 when told by management.

Involving influencers doesn't diminish the role of formal leaders, or mean they can delegate their responsibilities 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.



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"When it comes to culture you are never done"

The quote comes from 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 would have been 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 coming up with their own improvement ideas.

What's next?

Culture is deeply rooted in daily work. In this article, I've explained that to make a culture change, you can choose 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.

[Visit our website here](#) or [contact me](#) to talk more about embedding sustainable change.

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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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