
Changing Organizational Culture

The Change Agent's Guidebook

Marc J. Schabracq

University of Amsterdam, The Netherlands



John Wiley & Sons, Ltd

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About the Author

Dr Marc J. Schabracq (1949, Amsterdam, The Netherlands; schabracq@humanfactor.nl) is a work and health psychologist. As an independent organizational consultant, Marc Schabracq has acquired much experience with the human aspect of organizations (organizational culture change, leadership, personal transitions, stress management and personal integrity) in a great number of profit and non-profit organizations. In addition, he has worked at the University van Amsterdam since 1973, and subsequently in clinical psychology, social psychology and – since 1987 – work and organizational psychology. He has produced more than 20 scholarly and professional books about psychology, as well as more than 100 articles and book chapters. In addition, he has written three novels and a bundle of short stories.

Introduction

This book is about changing organizational cultures, and is written for professionals and leaders who are, or want to be, the agents of that change. However, the book is not written for people who want to do the job in separation from reality by applying rigid models and methods. Neither is it written for people who want to hold on at any expense to targets that create their own, mostly unproductive realities. This book is meant for change agents who dare to accept the challenge to think for themselves, and want to be their own instrument in changing culture. Therefore, the book gives techniques, pointers and exercises for developing your own thinking, feelings, intuition, fantasy and perception: all of that for the sheer reason of becoming a well-tuned, effective change instrument.

The book focuses on the hardcore element of changing culture, namely changing the people involved. As it is, cultural change implies that the people involved change their assumptions and goals, and behave accordingly. Getting people that far demands considerable care, skill and effort from the change agents. However, that's not all. Though the objective of cultural change is to bring about improvements for all concerned, changing assumptions, goals and behavior implies for the individual members of that culture significant personal transitions, which are typically accompanied by all kinds of mostly unpleasant emotions. The change agents must be able to guide the people involved through these emotions, in order to prevent needless damage that would be harmful for the organizational members, the change agent and the organization as a whole.

The main objective of a good change agent, and of a good leader too for that matter, is the joint optimization of the outcomes for the organization as a whole, as well as for its individual members and other stakeholders. This joint optimization demands the application of all kinds of virtues. Justice may spring to mind here first, but courage, moderation, prudence, honesty, humility and many more virtues play a role too. Why this enumeration of lofty concepts? Essentially to make clear that being a change agent has a heavy ethical load – a fact that is ignored all too easily, both in practice and in theory.

When you are a change agent, really changing a culture and the people involved implies deploying yourself as the catalyst of that change. Being a catalyst does not leave you unaffected. Going through the process of being a catalyst is taxing, and demands thorough self-management. Still, the outcomes of the process are essentially positive: you refine yourself in the process, also in the field of ethical awareness. Being a change agent thus implies a continuous process of personal growth, and this book wants to contribute to such growth. To that end, the book also examines a number of personal items – such as the influence of unfinished business in your life, your mortality, your background, your leitmotifs and your transitions – which influence your role as a change agent and can evoke resistance to change. Insight into these personal items also helps you to assist the other parties involved to deal with the same issues.

No models, no ready-made methods, no holding on to targets at any expense. Does that mean that the approach described in this book misses all structure? Not at all: the approach is highly outcome-oriented, applies a step-by-step method, uses a painstaking diagnosis and pays attention to evaluation. Its main concern, however, is to prevent premature formalization of targets and spreadsheets. By such premature formalization all relevant information disappears in a black box, where it is no longer open to our scrutiny, nor to feedback from external reality. In this way, these prematurely formalized targets then can start to lead a life of their own and influence the environment by evoking and rewarding all kinds of undesirable adaptations. In short: spreadsheet fundamentalism in progress.

No models, but still a goal-oriented approach. Could it perhaps be that the approach is a-theoretical? Far from it. I subscribe to Kurt Lewin's device that 'nothing is as practical as a good theory' (Lewin, 1952, p. 169) and this book *is* based on a new way of thinking about organizational cultures, an approach that combines the functional and structural features of cultures. Everyday reality is the alpha and the omega of this approach. The central theme within everyday reality is attitude, which is a three-faceted concept here: it has a mental, a behavioral and a cultural side. Moreover, an attitude has its goals and is assumed; that is, an attitude is based on its own assumption. Furthermore, attitude serves as an easily transferable unit of culture and personality, a *meme* in Dawkins' terms. As such, attitude can be considered to be a central concept in the embodied mind approach as well.

Culture is the result of a historical, self-organizing development. By taking certain forms other forms are excluded, and so are the possible developments that would have taken these other forms as their points of departure. This coming about of certain forms and the exclusion of other forms imply, among other things, that only certain cultural changes are possible, while other changes are no longer an option. Put differently, successful changes cannot transgress the limits of a notional field of potential development, even though the specific location of these limits is far from clear. The important questions here are what *can* be done with respect to cultural change, and *how* that can be done in an appropriate way.

To bring about cultural change, the book offers the following three approaches, which can be most successfully implemented when they are combined:

- A leader, or a team of leaders, can initiate and actualize changes in the goals of the organization to make the organization more effective and pleasurable.
- From the same point of departure – that is, to make the organization more effective and pleasurable – the members of the organization can solve many of their own problems by themselves. The book contains a number of checklists to map such problems.
- Lastly, a more fundamental approach is discussed. This involves extending and enriching the assumptions underlying the culture, especially by synthesizing them with other assumptions. This more fundamental approach can be realized in dialogue-based group sessions.

The application of these three interventions presupposes a good assessment of the organization and its environment. In this book, such an assessment encompasses the status quo, the causal network of this status quo, the preferred solutions and the forces for and against each of these solutions. To this end, the book formulates a great number of questions, and also contains three scales to map the culture's effectiveness seen through the eyes of the organizational members. In the approach described in this book, building relations with

the organizational members and – based on that – building support for the interventions are important functions of the assessment. Lastly, attention is paid to evaluation of the interventions.

Supplementary Website

The scales, checklists and exercises are available free online to purchasers of the book. Visit www.wiley.com/go/culture to access and download these flexible resources.

PART I

Changing Organizational Culture

Organizational Culture

This book is about changing organizational cultures. The concept of organizational culture, which for reasons of brevity from now on is simply called 'culture', is hard to define. This difficulty partly stems from the wide and diverse use of the term culture, partly also from the fact that most of culture is hidden from the eye of the beholder, like the proverbial iceberg of which only one tenth sticks out of the water. That is why in this book I follow the logic of the biblical saying that one knows a tree by its fruits. To fit with this metaphor, one can say that culture produces the everyday reality of an organization. This everyday reality is, at least in principle, open for inspection to anybody who is interested. Everyday reality is also a central concept of the book. Though this may recall the story of looking for a lost object under a lamppost – not because we have lost it there, but because there is at least some light – everyday reality is also central to my conception of culture.

What does the everyday reality of an organization consist of? Everyday reality involves what happens in the organization and what its stakeholders do and experience. By stakeholders I mean not only the members of the organization – i.e. the employees, managers, owners and shareholders – but also the clients, suppliers, the government and other involved parties. The everyday reality not only entails members' recurring activities, their routines, but also matters such as the premises and layout of the organization and the common reality stemming from those, with the blueprints they offer for behavior, perception, thought and feeling.

Though the actual forms of such an everyday reality have come about in somewhat coincidental ways, the result is a highly predictable way of doing things in a familiar setting. Everyday reality proves to be a solid and relatively stable shared reality, in which the organization's members can firmly believe, without any need to question that belief. All in all, everyday reality boils down to people doing normal things in normal surroundings. Other possible approaches have never developed, simply because the original approaches were good enough: they apparently worked, and something can take only one form at a time. The organization's members just keep on enacting the everyday reality's forms, as if their routines represent the only possible way to do things, making the everyday reality even more solid in the process. By acting in this way, the organization's members actually make these routines the only possible way to do things: a typical case of a self-fulfilling prophecy.

This coming into being of an everyday reality, and of the culture as a whole, can be compared to how a river evolves. By running in a certain direction, determined by the law of gravity, the water makes its own bed, determined by the interaction of the height and hardness of the soil and the forces of gravity acting on the water. Once a river bed has come into being, it determines in its turn the flow of the water, in this way preventing other river trajectories from coming into being. The river's coming into being does not mean

that the flow of the river cannot be changed any more, but it does mean that the actual form the river has taken is a more or less independent factor in its further development. Elsewhere (Maturana & Varela, 1980) this is called ‘autopoiesis’, a state resulting from a self-organizing system (de Bono, 1990). This parable shows us that culture cannot be changed without taking into account the culture’s development up to now: a culture can further evolve, but cannot at will be replaced by another culture.

Culture can be studied from the perspective of the functions it performs, as well as from the perspective of how it is structured. In this book the functional and structural approaches are integrated into a single, innovative model.

The first approach – that is, the functional approach – studies what a culture wants to attain and how it goes about accomplishing this. Essentially, such an approach sees culture as the ways in which the organization survives and flourishes by solving its recurrent problems. As is to be expected from a functional approach, these problems stem from the organization’s reason for being there or, put differently, its goals. The functional approach to be used in this book is the RACE model, RACE being an acronym for Reason for being there, Adaptation, Coordination and Everyday reality. The RACE model actually came about by accident. I developed it unknowingly, mistakenly thinking I was describing Parsons’ Adaptation–Goals–Integration–Latency (AGIL) model (Parsons, 1960), as it had been – completely correctly – described by Iva Embley Smit (Schabracq, 2006; Smit, 1997). However, my mistaken model suited me fine, especially as it proved to be very applicable in a practical context, and after some deliberation I decided to change some terms and stick to it.

The second, or structural approach, not surprisingly, studies how a culture is structured, its architecture so to speak. For the structural side of culture, I turn to an adapted version of Schein’s model. Schein (1985) distinguishes four ‘layers’ of organizational culture, namely forms, mythology, rules and norms, and assumptions. Each of the successive layers is further removed from awareness than the previous one.

My approach here is that Schein’s layer of forms – that is, the surface layer of actual behavior and artefacts – is incorporated into the ‘everyday reality’ of the functional approach, which also involves the experiential sides of the forms. The integration of the functional and structural approach is then based on the fact that both approaches share the ‘everyday reality’ level. All seven concepts are described – and adapted – in the following sections.

REASON FOR BEING THERE

An organization must have a sound *raison d’être*, a purpose, a legitimate reason for being there. The reason must have importance and meaning inside as well as outside the organization. A valid reason for being there integrates the goals of the organizational members with the needs that exist in its environment in a non-zero-sum way; that is, in a way that benefits all parties involved (Wright, 2001). It gives meaning to the organization and the work of its members. Such a reason, or mission as it has been called, can be explained in a mission statement. In addition, an organization can develop a vision, a representation of the future that the organization sets out to realize within a certain time span, for example a period of five years.

Handy (1994), writing about the search for meaning in organizations, came up with what he called the three senses: the sense of continuity, the sense of connection and the sense of direction. Each of these senses adds to the organization’s meaningfulness, as well as to

the importance of being part of the organization. The sense of continuity is the idea that the organization contributes to something that goes beyond our life, something that is also valuable to those who will live after us. A beautiful example here is contributing to building a cathedral, which takes several centuries to finish. The sense of connection concerns belonging to the organization, the options it offers to its employees to be a real member of it, being at home at their work and being part of the community of the organization. The sense of direction, lastly, refers to a cause, a purpose beyond ourselves, making the world a better place. All three add meaning to working in an organization; only that is, of course, to the degree that they can be realized there.

When one thinks about improving an organization, it is always interesting to ask oneself what part these three senses play in that organization. Of course, for many organizations the full realization of these senses may be highly utopian, unrealistic and even an occasion for a good laugh. Still, these senses show us directions for potential improvement. Besides, aren't utopias the carthorses of reality?

A valid reason for being there provides the organization and its members with a clear direction and definite goals or objectives. Without such direction and goals, the organization and its members are in big trouble. In practice, almost all organizations do have goals, though they could be clearer and stronger. An organization without goals does nothing, or does something that nobody notices or finds important. Such an organization will not be able to get sufficient support from its environment, while such an organization will also have a hard time motivating its members. As a result, it cannot continue to exist. This does not only apply to organizations, but to individuals as well.

At the individual level, losing goals affects vitality, just as it does in organizations. As such, goals are a crucial condition for staying alive. According to Frankl (1978), setting goals and sticking to them is a matter of taking responsibility. However, put in Frankl's own words, goals are not only a matter of what we expect from life, but also of what life expects from us. Absence of clear goals implies sterility, its essence being uselessness, described by May (1969) as living in the land of the dead. Frankl's and May's statements also apply to organizations.

The reason for being there is essentially laid out and shaped by the founding fathers, or mothers, of organizations, to whom a mythical status has gradually been ascribed. The leaders who devise and implement important changes in the reason for being there are also made to be quite special. It is as if laying out or changing the reason for being there is something heroic, the outcome of a hero's journey: a hero who goes out there, has all kinds of adventures and slays a few dragons, to return with a treasure that will change the fate of the organization (Campbell, 1988). However, not all leaders are heroes. Put more strongly, hero-leaders are relatively rare. Most reasons for being there are handed down by previous leaders and many, if not most, organizations have only a vague idea of why they exist, and what they want to accomplish.

In the case of a new organization, its reason for being there may be still under development, but in most cases the reason for being there is treated as a datum, something that already exists and does not require special attention. However, this reason does need to be articulated and possibly even adapted. This articulation involves questions that the leader and the top of the organization have to ask themselves and each other: What are we actually doing and for what reason?

Another issue is that, when the reason for being there is valid and well established, it still must be shared by all the other members of the organization as well. This sharing is

far from self-evident, particularly when those at the top of the organization want to adapt the reason for being there. If the sharing is not realized effectively, meetings at all levels are required. In these meetings, what exactly the reason for being there implies for that level and that specific department can be determined. This customizing of the reason for being there to all levels and departments implies that everyone involved can influence its final form. The idea behind this way of customizing is that this kind of influence generates commitment to the reason for being there.

On the one hand, the reason for being there involves what the organization wants to accomplish for the outside world, such as manufacturing certain products or rendering certain services; that is, providing something that the environment needs. These needs must be so essential that their fulfillment justifies the organization's existence.

On the other hand, the reason for being there is also concerned with the inner world of the organization; that is, with the organization's individual members. The reason for being there must make sense of and give meaning to what the employees are doing. To that end, their work must be sufficiently attuned to what they are best at and want to do. Ideally, the reason for being there also helps them to develop themselves, leading them into a promising future, on a journey of adventure and discovery, without jeopardizing their safety and well-being, giving their work a self-evident and logical line of action.

As long as the organizational goals are aligned with the goals of its employees in the ways implied above, organizations can concentrate on what they are good at, resulting in products and services that clients want and need. If they succeed in that, the way in which they do it is usually difficult for the competition to copy. Prahalad and Hamel (1990) speak of core competencies in this respect.

All in all, an organization's reason for being there is a matter of the degree to which the organization succeeds in doing something that is attractive and self-evident to all parties involved. This also implies, of course, that the goals in question have to be in line with the law and the prevailing ethical norms. The discussion so far leaves change agents who want to optimize the organization's reason for being there with the following 'reason for being there' rules of thumb:

- Try to define core competencies together and let the members of the organization devise the best possible products and services stemming from these competencies. Let them try to innovate, create and develop (Prahalad & Hamel, 1990).
- Learn about the needs of clients and potential clients that the organization's products can fulfill. See the world through their eyes and make this the guideline for forming new alliances. Find out how you can improve the added value of these products for them in terms of quality, delivery time, price and service (Hammer, 2001).
- Think about the longer term (Handy, 1994).
- Think also about the greater good the organization can realize in this way, the cause it can serve (Handy, 1994).
- Learn about the needs and goals of employees, and determine how all of the above contributes to the fulfillment of these needs and goals. Examine as well how employees' satisfaction can be improved.
- Encourage the development of employees, not only by formal education and training, but especially by learning from experimenting and taking risks.
- Point out the necessity of errors and transform these errors into learning experiences.

To the degree that we identify with the organizational goals, these goals provide a focus for what we do. The goals then more or less automatically gear our skills, creativity and effort to achieving the future state that they imply. In the old French literature of suggestion, this mechanism is described as the ‘law of unconscious intentionality’: once a goal is accepted, finding and adapting appropriate means happen in subconscious ways (Baudouin, 1924). Because most work does not consist of reinventing the wheel, identifying with such a goal induces us to go automatically through a string of familiar situations, each with its own well-known outcomes. These situations can then be conceived as sub-goals on the road to full goal attainment. In this way, these goals help to organize our life in the organization. Outcomes of this way of organizing our life are that we know exactly where we are in the course to goal attainment and can feel at home in these situations. Such a string of familiar situations can then evolve into a pleasurable comfort zone.

This means that a change of goals implies finding and selecting new strings of situations and activities, as well as leaving behind the old sequences. Since we have invested a great deal in appropriating the old way of working, we often are not overly eager to switch over to a new one. Moreover, our assumptions – which will be discussed in more detail in Chapter 3 – limit the range of our possible goals. Some goals are simply not compatible with our assumptions. Goals that are incompatible with our assumptions cannot be part of our everyday reality, and cannot be easily achieved. Accomplishing such goals in any case then demands that we adjust our assumptions. However, we are not overly eager to adjust these assumptions either, even when we are conscious of them, which usually is not the case. In addition, adjusting assumptions has its limits. We can develop our assumptions, we can extend and enrich them, but it is very hard to eradicate them fully or to change them at will. Consequently, goals that go clearly against our assumptions are not likely to be attained.

Nevertheless, changing or adapting goals is the royal road to a change of culture. First, goals that lie outside the scope of our assumptions are an important way to surface our – mostly tacit – assumptions. Becoming aware of our assumptions is a necessary initial step in adjusting these assumptions and, in that way, our reality. Goals can have this change agent function because they are much more explicit and accessible to our awareness than the more structural characteristics of culture, such as our assumptions (see later in this chapter).

Moreover, as goals point by their nature to the future, they refer by definition to something that has not yet got a form. This means that goals are actually much less fixed than assumptions. In principle, goals can take the form we want to give them. Another point is that envisioning a good future can be very motivating for attaining goals. Envisioning a good future is an effective technique for bypassing the initial resistance to change that is often triggered by having to occupy yourself with a problem. Envisioning a good future is also one of the critical components for success in solution-oriented coaching (see Chapter 6).

In developing an appropriate organizational mission, promising personal visions may actually provide a good point of departure. The next step then is aligning these personal visions into a shared organizational vision (Senge *et al.*, 1994) within the context of a real dialogue or work conference (see Chapter 5). This can be a very effective approach. Lastly, in Chapter 6 a number of criteria and tests are described, which we can apply to make a goal more realistic, worthwhile, effective and efficient.

This does not mean at all that such a form of cultural change is easy. In fact, it usually is not easy at all. However, it does mean that, at least in principle, cultural change is possible, and that goals can serve as a pull factor here.

ADAPTATION

Logically speaking, every organization has an environment. Adaptation refers to the success of with which an organization interlocks with that environment. Most of the time, the environment is not so much a matter of physical surroundings as of the relevant people and institutions. Adaptation then entails effectively attuning the organization to the different stakeholders outside it, to achieve the organization's reason for being there by setting and attaining mutual goals with them. The attuning involves clients, but also suppliers, shareholders, fellow organizations in the trade including competitors, the government and its rules, neighbors and the surrounding community at large. Such interlocking should be a non-zero-sum game (Wright, 2001) for all parties involved.

If everything turns out fine, adaptation is a two-way street of giving and receiving. The environment provides the organization with all it needs to survive and flourish. This involves an appropriate location, sufficient safety from outside threats and the right quantities of resources in general. Moreover, if everything works well, the environment also provides the money to pay expenses, make a profit and grow.

To survive, flourish and grow, an organization must make itself an attractive, easily accessible, affordable and self-evident interaction partner to all stakeholders. Becoming such an interaction partner means earning and guarding trust, respect and prestige. To this end, one needs to know all the stakeholders well. What do they need? What do they want to know from the organization? Relations with suppliers, for example, can focus on quality, price, work flow and delivery time. Partnership means building stable relationships with each of these parties, resulting in mutual trust and loyalty (Reichheld, 1996). Consciously managing contacts with these partners and making employees thoroughly aware of the relevance of doing this then become important tasks.

As organizational environments have become more turbulent and variable (Schabracq & Cooper, 2000), adaptation has more and more become adaptation to change. This kind of adaptation requires creating an early warning system for change, involving all employees and especially the ones on the front line. The interview techniques described in Chapter 6 can be used for this task. The idea is to make employees into detectives or journalists. Let them develop a deep insight into all stakeholders, especially the 'end clients', as they are the ones who pay for everything. Let them dig up information about what the clients and the competition find new, interesting and exciting, about the changes they want and foresee, as well as what they think the organization can do best in this respect. Specify to the employees what you want to know. The next step then consists of bringing the information together, as well as categorizing, analyzing and interpreting it so it can be acted on. The last step is making sure that the insight gained is actually used in the intended way. Monitoring and operating this system should be a well-managed process (Hammer, 2001; Sun Tzu, 1993). In some cases, using the insight gained can mean that the organization has to change itself in a radical way.

Adaptation can also consist of narrow cooperation with clients and other stakeholders. An example is making accounting a joint operation with customers, such as banks do with their cash machines. Though many people don't realize this, we are actually doing the bank's accounting when we operate their cash machines to take out our money in the rain. The same applies to banking by internet. Another example is sharing distribution channels, shops and storage facilities with other companies in different trades. In this way, all parties can move products in relatively small quantities at a low price, which usually is exclusively reserved for bigger quantities. Still another form is involving the organization in the product

development and production processes of its suppliers, distributors and clients, for instance by temporarily seconding its employees to other companies, or having employees of other companies seconded to it in their turn (Hammer, 2001; Schabracq, 2003c).

Adaptation can also be a matter of joining forces in one production chain with other organizations. Each organization then can take care of that part of the production chain at which it is best. Joining forces in one production chain enable each organization to serve the end customer in the best, cheapest and quickest possible way. Of course this joining of forces must be well managed, so that it is not overly liable to coincidences and is independent from improvisation and unusual performance, a process from which all double work, for instance in accounting, is removed (Hammer, 2001).

Another issue in adaptation is how to deal with competition. In addition to competing with other companies, you can use them as a source of information. For example, ask customers about the strong and weak points of the competition: one can always learn from one's competitors (Hammer, 2001). When there are mutual interests, cooperation and alliances, temporary or permanent, are definite possibilities. Often realizing these possibilities demands that assumptions on both sides are adjusted. Examples are the possibility of complementing each other and sharing facilities, increasing market share in this way, as well as preventing a third party from becoming too powerful. Sometimes it may just be a matter of disrupting or preventing another alliance that threatens the organization's survival (McNeilly, 2001). And last but not least, the competition is always an incitement to do better.

All of this leads to the following 'adaptation' rules of thumb:

- Know the organization's stakeholders well.
- Make the organization a self-evident, respected and reliable partner for all stakeholders. Make it pleasurable, easy, affordable and lucrative to do business with the organization. Determine what the organization can do for its stakeholders, as well as what the stakeholders can do for the organization in this respect.
- Determine how the organization can better attune its information system and production process to the needs of its stakeholders, and make this the guideline for forming new alliances.
- Try to broaden the organization's scope: there are many more possible stakeholders out there.
- Monitor relevant change and respond to it appropriately.

COORDINATION

Coordination refers to organizing all the activities of departments and individual employees within the organization in such a way that the reason for being there and an appropriate adaptation to the environment can be realized. The need for coordination stems from the trend toward specialization, which results in role differentiation. Such a trend is inherent in the development of organizations. Coordination is then about staying aware and taking care of the interconnectedness of all contributions, to optimally serve all stakeholders, especially customers. For the employees good coordination means that they can work effectively and pleasantly, and changes can be implemented smoothly.

Coordination ideally leads to integrity; that is, to acting as a whole, as one organism, focused on bringing about the organizational reason for being there. Coordination is creating the conditions for synergy, the generative principle underlying cooperation, which gives

the outcomes of that cooperation a surplus value that goes beyond the sum of the separate contributions of all the individual participating parties. In short, synergy is the outcome of a non-zero-sum game (Wright, 2001), this time within the organization. To bring about synergy, everybody involved must understand the reason for being there and the necessary adaptation, as well as how one's own work relates to that. Essentially, it is a leader's task to coordinate all the related processes and to safeguard the resulting coordination. This can be done by systematically asking questions such as:

- What are the effects of what you're doing for your colleagues in different departments?
- And what are the effects for the client?
- And for the organization as a whole?
- What improvements can you bring about in these respects?

As emphasized elsewhere in this book, asking the right questions and using appropriate interviewing and listening techniques are crucial leadership skills. In Chapter 6 this subject is discussed in more detail, while Chapter 8 provides accompanying exercises.

Apart from the overall synergy, outcomes of coordination are a smooth work flow and the prevention of needless divisions and fruitless conflicts stemming from pursuing departmental and individual interests. Of course, the other side of integrity – the ethical part – is an issue here as well. Not letting one's own interests prevail over the common good is after all a clear ethical consideration. However, ethics plays an important role in every aspect of culture. In practice, coordination can be helped by clarifying and adjusting the mutual expectations of departments, as well as of individuals, aiming at a smooth work flow and a pleasurable work climate, in which all involved will help and support each other when needed.

In order to achieve coordination, the following 'coordination' rules of thumb are important:

- Pay sufficient attention to what goes on in the organization and avoid being focused exclusively on the outside world. Make sure that you get all the information you need. Ask everybody involved questions, explain the necessity of that information, make people responsible for sharing relevant information with you and make it a two-way process.
- If possible, establish co-management (Schabracq, 2005a) or team leadership; that is, divide the leadership role between two people or over a whole team. In this way each issue can be dealt with by a specialist within the team. In co-management coordination tasks are typically given to one of the two leaders. Such an approach demands a kind of 'constitution' for collective decision making to be followed, focusing on the interests of the whole organization and all of its stakeholders (Schabracq, 2005b). This presupposes that everybody knows what they can expect from all relevant others.
- See to it that people find out how to collaborate and communicate, and emphasize the greater good of the reason for being there. Offer them training programs on these issues (see Part II). Reward good collaboration and communication.
- Help to create a climate that fulfills the organizational members' need to belong. Create possibilities for mutual social support; that is, a climate in which there are possibilities for emotionally supporting each other, actual help, information exchange and building relationships.
- Improve coordination between departments and organize based on end-to-end processes. For example, improve coordination between independent strategic business units. Try to

provide the external client with one interface, as well as with shared service centers and standardized approaches (Hammer, 2001).

- Don't let work be needlessly dumped on other departments. Take care that departments and individuals communicate properly about expected work flow effectively and habitually. Solve inter-group communication problems and address stereotypes and prejudices.
- Solve constraints in the end-to-end process and focus each time on the main constraint (Goldratt, 1990), such as bottlenecks in equipment, information or human resources.

EVERYDAY REALITY

The joint realization of the previous three functions (reason for being there, adaptation and coordination) results in a self-evident everyday reality. This everyday reality more or less coincides with Schein's layer of forms; that is, the physical layout and design of the organization, as well as the personal appearance and behavior of its members, with its standard routines and approaches. The forms that make out everyday reality are, at least in principle, open to inspection, though usually nobody inspects them. As long as these forms are properly displayed and do not deviate too much from the norm, the members of the organization do not pay much conscious attention to them. When the members are fully socialized, the forms are just experienced as self-evident parts of reality. This is also why I incorporate Schein's layer of forms in 'everyday reality'. The main difference between Schein's forms and everyday reality is one of degree: everyday reality encompasses the experiences of members and onlookers, while Schein's layer of forms does not. We are talking about a difference of degree here, as the forms essentially presuppose a perceiver as well.

The self-evident forms or everyday reality provide the members with a multitude of cues signaling what is happening (the play), the ongoing activities and their integration (the roles in the play and their interaction) and where they are in the play (the scene and the lines). These cues enable others to display the appropriate behavior, which in its turn provides cues for the next step. So one's posture and movements give proposals to enact a certain situation and relationship, as well as directions for how to proceed from there (Schabracq, 1991). Though these cues are in principle completely open to inspection, they are hardly perceived as proposals and directives. They are just automatically being acted on.

This everyday reality essentially consists of non-problematic routines, habitual ways to respond to the permanent or recurrent demands resulting from fulfilling the three above-mentioned functions. This is a characteristic of all cultures: providing recurrent solutions for recurrent problems. People continuously re-enact, re-construct, re-cognize, re-present and re-cite the forms and meanings of culture (Moscovici, 1984) and abstain from other possibilities. People even re-create themselves. Much of the repetitious character of all this activity stays out of awareness. Though essentially a never-ending form of hard labor – a real Sisyphean task – we just do it, do not pay attention to other possibilities and ignore the fact that we do not pay attention to these other possibilities. So we create a reality that provides stability and continuity, as well as normality and perceived safety. To the degree that this is effective, we can lose ourselves in our work without being needlessly distracted and disturbed, blissfully ignoring all the trouble involved, while everybody knows what they have to do, what they have to attend to and whom they must involve in it. A more extensive discussion of this phenomenon is to be found in Chapter 3.

If this self-evident everyday reality is not realized, the functionality of the organization and the effectiveness of its members diminish accordingly, and stress and alienation ensue. Of course, stress and alienation are undesirable, but they also serve an important signalling function. They clearly indicate that something is wrong (Schabracq & Cooper, 2001): the culture apparently does not provide a proper solution here.

Everyday reality can be divided in five domains:

- the work itself
- the physical environment of the work
- the social embedding of the work
- the fit between the values and goals of individual employees and those of the organization
- the perceived safety of the work and its environment

In each of these domains disturbances can arise, which can be described as ‘too much’ or ‘too little’ of something that in itself is a good thing. These disturbances result in a situation in which the individual must do something that they cannot or don’t want to do, which results in a loss of control and effectiveness, as well as in stress and alienation (Schabracq, 2003a). This subject is further elaborated in Chapter 4.

Safeguarding the everyday reality in an organization is usually a full-time job. Nevertheless, many managers are more focused on the external world than on internal organizational affairs. As it is, managers are not really selected or rewarded for minding what goes on within the organization, and their own ambitions usually are also focused elsewhere. Appointing a co-manager, as discussed in the previous section, who is responsible for internal affairs, can be a solution for safeguarding the everyday reality as well (Schabracq, 2005a).

In order to realize a functional everyday reality, the following rules of thumb can be followed:

- See to it that jobs are challenging but workable.
- Make sure that the physical layout of workplaces enables employees to work effectively and efficiently.
- Create a climate of trust and pleasant contacts, which allows employees to belong, prove themselves and establish rewarding relationships, without being disturbing or too overwhelming. This is a matter of setting the example yourself and of correcting clear deviations.
- Take care that the organization’s values and goals do not deviate too much from the personal ones of the employees. Take care that the employees are in a position to guard their own limits.
- Create a good level of perceived safety in the work and its environment.
- Periodically assess the situation by observation and questioning, as well as by surveying variables such as work satisfaction, work stress, alienation and commitment with the help of (online) questionnaires, such as ASSET (Faragher, Cooper & Cartwright, 2004). Recognize stress risks as early as possible. Use stress reactions and alienation (apathy, indifference) as signals. Be alert to phenomena such as harassment, scapegoating and stereotyping. Break the taboo on talking about these phenomena and discuss them with your employees at an early stage. Know when to refer to or call in a specialist.
- Ask about problems, their causes and their possible solutions. See to it that people take responsibility for reporting problems and thinking about solutions, even when this does not seem to be their primary responsibility.