

THE IMPORTANCE OF CULTURE AFTER IMPLEMENTING A CHANGE INTO A ROMANIAN ORGANIZATION

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Abstract: Culture refers to norms of behavior and shared values among a group of people. In many transformation efforts, the core of the old culture is not incompatible with the new vision, although some specific norms will be. In that case, the challenge is to graft the new practices onto the old roots while killing off the inconsistent pieces. I interviewed five Romanian managers in order to find out if they know the role of organizational culture after implementing a change and if they use some specific methods to help employees adapt to the new culture. The results will be presented in the paper.

1. WHY CULTURE IS POWERFUL FOR A ROMANIAN ORGANIZATION

Culture refers to norms of behavior and shared values among a group of people. *Norms of behavior* are common or pervasive ways of acting that are found in a group and that persist because group members tend to behave in ways that teach these practices to new members, rewarding those who fit in and sanctioning those who do not. *Shared values* are important concerns and goals shared by most of the people in a group that tend to shape group behavior and that often persist over time even when group membership changes. [John, Kotter, *Leading Change*]

It is known that cultural differences between countries are real. It is obvious that every people has its own values it promotes. When talking about Romania, we can hear voices saying that one specific attribute of organizational culture is innovative spirit but sometimes it faces with unclear management or poor capacity of setting tasks.

When the new practices made in a transformation effort are not compatible with the relevant organizational cultures, they will always be subject to regression. Changes in a work group, on a department, or an entire company can come undone, even after years of effort, because the new approaches haven't been anchored firmly in group norms and values. [<http://hbr.org/product/anchoring-new-approaches-in-the-culture-overcoming/an/4731BC-PDF-ENG?Ntt=Organizational+culture&Nao=90>]

Culture is powerful in Romanian organizations for the following reasons:

1. Because individuals are selected and indoctrinated so well.
2. Because the culture exerts itself through the actions of hundreds or thousands of people.
3. Because all of this happens without much conscious intent and thus is difficult to challenge or even discuss. [John, Kotter, *Leading Change*]

Because organizational culture exerts a kind of influence, the new practices created in a reengineering or a restructuring or an acquisition must somehow be anchored in it; if not, they can be very fragile and subject to regression.

In his book *Leading Change*, John Kotter made a useful graphic in order to present the components of organizational culture after implementing a change. These components can be presented like the following figure shows:

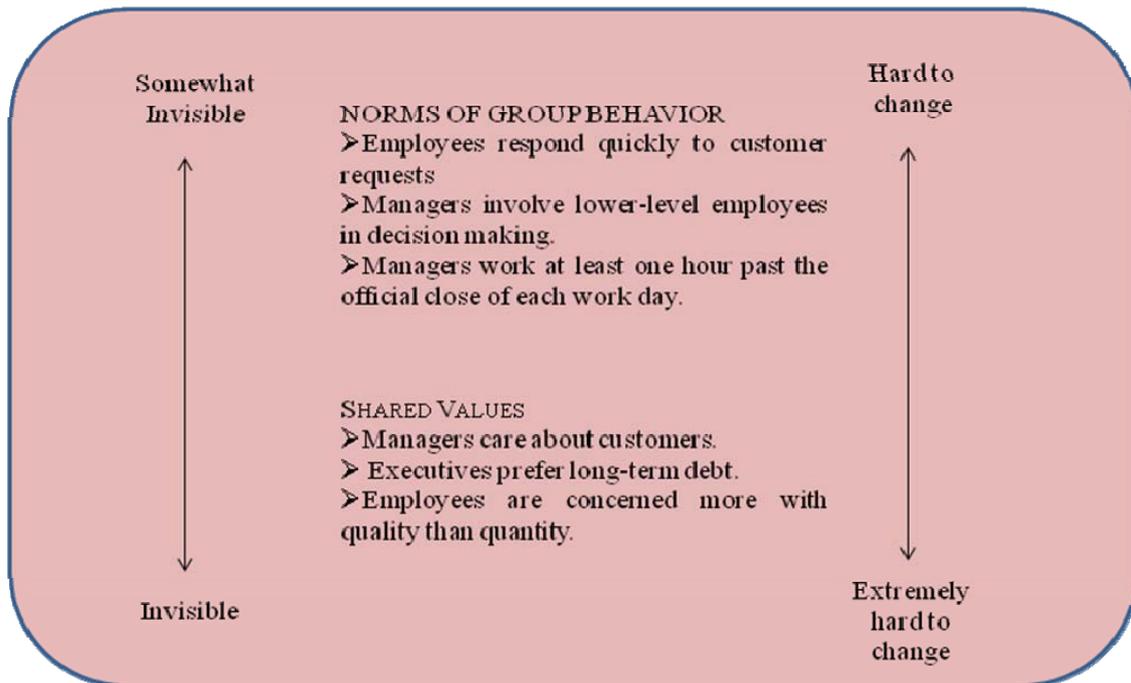


Figure 1 Components of Organizational Culture

[Adapted by John, Kotter, *Leading Change*]

In this paper I studied five Romanian enterprises from Bihor County. Each manager had to answer to different kinds of questionnaires and I will present the results.

It is known that employee motivation, positive employee morale, rewards and recognition of values are the most important aspects for the welfare of any organization. In the first questionnaire I wanted to find out if Romanian managers respect their employees' needs, if they recognize their personal values and if they promote a participative style of management. Each manager had to respond by putting True or False near the sentences.

SENTENCE	NUMBER OF MANAGERS THAT RESPONDED TRUE	NUMBER OF MANAGERS THAT RESPONDED FALSE
1. We treat our people fairly and without favoritism.	2	3
2. We place great value on diversity.	3	2
3. We build our organization around people.	3	2
4. We encourage participations and suggestions.	2	3
5. We promote the good health of our people.	4	1
6. We promote from within.	2	3
7. We prohibit the use of company time, facilities or materials for personal benefit.	5	0
8. We have meaningful discussions with our people.	2	3
9. We promote an open-door approach to managing people.	2	3
10. We respect each employee's point of view.	2	3

11. We stress safety throughout our company.	2	3
12. We insist upon integrity in our people.	3	2
13. We keep our buildings and equipment clean.	4	1
14. We expect our people to be neat in appearance.	4	1
15. We look for people who have potential for development.	5	0

From the second questionnaire that I applied I wanted to know if Romanian managers promote a creativity culture, how often they implement a change, if they know how to communicate the change, if employees accept the change rapidly and how do that change influence the organizational culture. They had to answer by using one of the following: strongly disagree, disagree, agree and strongly agree.

SENTENCE	NUMBER OF MANAGERS THAT STRONGLY DISAGREED	NUMBER OF MANAGERS THAT DISAGREED	NUMBER OF MANAGERS THAT AGREED	NUMBER OF MANAGERS THAT STRONGLY AGREED
1. New ideas are readily accepted here.	1	1	3	0
2. This company is quick to respond when changes need to be made.	0	1	4	0
3. Management here is quick to spot the need to do things differently.	0	0	5	0
4. The organization is very flexible; it can quickly change procedures to meet new conditions and solve problems as they arise.	0	0	4	1
5. People in this organization are always searching for new ways of looking at problems.	0	0	5	0
6. It is considered extremely important here to follow the rules.	0	0	0	5
7. People can ignore formal procedures and rules if it helps to get the job done.	5	4	0	0
8. Everything has to be done by the book.	0	0	0	5
9. It is not necessary to follow procedures to the letter around here.	4	1	0	0
10. Nobody gets upset if people break the rules around here.	4	1	0	0
11. We implement several changes in a year.	0	0	0	5
12. Managers know how to communicate the change in order to	0	3	2	0

reduce resistance.				
13. We can successfully mix the old procedures with the new ones.	0	1	4	0
14. The change process has an important impact on the organizational culture.	0	0	0	5
15. We ask employees if they agree with the changes and if not, we don't implement them.	4	1	0	0

After analyzing the questionnaires we can see that no manager has experience in handling culture after implementing a change. I can give some recommendations in order to improve the management style and the attitude to organizational culture after implementing a change in Romanian enterprises: [Churchill, Craig, Frankiewicz, Cheryl, *Making Microfinance Work: Managing for improved performance*, International Labour Office, Geneva, 2006]

- talk about where the old culture had come from, how it had served the firm well, but why it was no longer helpful;
- discuss with employees about the evidence showing how performance improvements were linked to their new practices;
- communicate well why the change is needed and what would be the future benefits for both employees and the organization;
- try to eliminate the old shared values and group norms, but carefully because they seem to be persistent at first;
- do some efforts in order to kill off the old culture even if creating the new one is difficult to accomplish;
- work hard to convince anyone who embraced the new culture not to leave;
- make doubly sure that new hires were not being informally screened according to the old norms and values;
- work hard to reduce tensions between new take-a-risk practices and the old culture;
- try hard not to promote anyone who do not viscerally appreciate the new practices;
- remember that when shared values are supported by the hiring of similar personalities into an organization, changing the culture may require changing people;
- ensure that employees have the new culture in their hearts and agree with it
- don't forget that cultural change comes at the end of a transformation, not at the beginning.

All the human-created influences within the company represent the culture and the values of the people working there, that's why we can say that culture is like a human engine.

Culture includes beliefs, values, habits, and other influences that set strong expectations for group and individual behavior. These cultural expectations are potent, not trivial, and tend to hold everyone in place. Once culture is in place, much of what the group members, company employees, think and do become habitual and automatic. [Koyen, Garry, <http://www.scribd.com/doc/25556/Learning-Culture-and-Corporate-Change-Part-One-The-Importance-of-Culture>]

Nowadays we have a business world characterized by ever-accelerating change. There are more players stronger players in the market, more companies and intelligent and creative entrepreneurs world-wide than ever in history, new technologies are having transformational impacts on all businesses and industries, markets are more open and free, pace of life is increasing, and customers are more demanding. Many companies are

being forced to change. The only way in which companies can survive is adapting and implementing a strong organizational culture.

2. WAYS OF ANCHORING CHANGE INTO AN ORGANIZATIONAL CULTURE

Taking as an example the John Kotter's *Leading Change* book, we can say that [the biggest impediment to creating change in a group is culture. Therefore, the first step in a major transformation is to alter the norms and values. After the culture has been shifted, the rest of the change effort becomes more feasible and easier to put into effect.

Culture is something very difficult to manipulate. Organizational culture changes only after you have successfully altered people's actions, after the new behavior produces some benefits for a certain period of time, and after people see the performance improvement and the connection between the new actions. [Colquitt, J., Lepine, J., Wesson, M., *Organizational behaviour*, McGraw Hill, New York, 2009]

This does not mean that sensitivity to cultural issues isn't essential in the first phases of a transformation. The better you understand the existing culture, the more easily you can figure out how to push the urgency level up, how to create the guiding coalition, how to shape the vision, and so forth. Nor does this mean that changing behavior isn't a key part of the early stages of a transformation. In step 2, for example, you are typically trying to alter habits and create more teamwork among a guiding coalition. Nor does this mean that some attitudinal changes are not a part of step 1, where complacent worldviews are attacked. But the actual changing of powerful norms and values occurs mostly in the very last stage of the process or at least the very last stage in each cycle of the process. So if one of the change cycles in a larger transformation effort is associated with a reengineering project in a department, that project will end with an effort to anchor the work in the department's culture. [John, Kotter, *Leading Change*]

John Kotter specifies a rule: [*Whenever you hear of a major restructuring, reengineering, or strategic redirection in which step 1 is "changing the culture," you should be concerned that it might be going down the wrong path.*]

Both attitude and behavior change typically begin early in a transformation process. These alterations then create changes in practices that help a firm produce better products or services.

Rules to follow when anchoring a change into a culture: [John, Kotter, *Leading Change*]

1. Most alterations in norms and shared values come at the end of the transformation process.
2. New approaches usually sink into a culture only after it's very clear that they work and are superior to old methods.
3. Without verbal instruction and support, people are often reluctant to admit the validity of new practices.
4. Sometimes the only way to change a culture is to change key people.
5. If promotion processes are not changed to be compatible with the new practices, the old culture will reassert itself.

Managers will be more effective in dealing with resistance if they try to see things from the resisters' perspective and look for ways to understand and weaken the source of the resistance.

Culture is the result of all the daily conversations and interactions between members of an organization. People are continually agreeing or disagreeing about the 'proper' way to do things and how to make meaning of the events of the world around them. If employers wish to change the culture, then all these on-going conversations have to be changed or at

least a substantial number of them. Out of these conversations arises a set of core beliefs which maintain the unity of the culture. [Stranks, Jeremy, *Stress at work*]

3. CONCLUSIONS

Organizations vary significantly in their cultures and management styles. Some are more progressive than others particularly when it comes to dealing with stress. A more positive culture will be concerned with the safety, health and welfare of its employees, viewing this area as an important feature of maintaining good employer-employee relationships, resulting in high levels of performance and productivity by employees. [Stranks, Jeremy, *Stress at work*, Elsevier Butterworth Heinemann, Oxford, 2006]

What is important to recognize is that organizational cultures cannot be changed according to plan, or through the demands of senior management, or by intervention by the enforcement authorities. [Stranks, Jeremy, *Stress at work*]

For cultural change to be successful, managers need to consider at the outset:

- The potentially stressful effects on the workforce of enforced change;
- The need for on-going consultation at the various stages of the change process;
- The provision of information, instruction and training prior to commencing the process;
- The speed at which the intended changes are scheduled to take place;
- Methods for assessing how well or how badly individual employees are coping with the changes;
- The provision of continuing help, assistance and coaching, together with the regular monitoring of people who are finding the changes difficult to comprehend and put into practice; and
- The provision of regular feedback to employees on the success or otherwise of the changes being introduced.

Changing culture requires a methodological support adapted to the organizational specific. Unfortunately, there is no rigorous methodology whose effectiveness is demonstrated with convincing arguments based on the obtained performances. That's the reason why Romanian managers need to have some special communication skills, a high level of adaptability and the capacity of influencing employees' behaviour.

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