

CULTURE AS EPIPHENOMENON

HERB KOPLOWITZ, PH.D.

TERRA FIRMA MANAGEMENT CONSULTING

When an organization needs to change its strategic direction, its CEO often talks about the need to bring about a sales culture or a service culture or a culture open to diversity. And often it falls to the Training Department to help that new culture develop by changing employees' attitudes. This is a tough challenge because attitudes don't change that easily. The task becomes even harder when Training is asked to prove its effectiveness in this assignment. How do you prove that you've changed someone's attitudes?

The purpose of this paper is to reframe the problem entirely. I want to argue against using training to change culture and against changing culture as a means of solving business problems. Of course organizations have problems and of course they have cultures, and when the problem is solved there will often be a noticeable change in culture. But I will argue that trying to solve business problems by changing culture is like trying to make your car's gas tank full by raising the indicator on your dash board: it attempts to create the appearance of a solution but doesn't address the root cause of the problem. In short, culture is an epiphenomenon; it is an effect of the true levers of change, not an effective change agent itself. In addition, using training to change culture has its own practical and ethical problems.

I will first explore the nature of culture and the nature of business problems typically addressed by culture change efforts. I will then show the practical and ethical problems in using training to change culture as a means of solving business problems. Finally, I shall introduce an alternative approach: the exercise of good management.

When trainers are asked to be agents of culture change, they often sense that there is something wrong with the assignment they've been given. The purpose of this article is a) to give trainers the arguments they need to rebuff attempts to make them culture change agents and b) to give organizations a better way to solve their problems.

WHAT IS CULTURE?

Culture is the system of values, beliefs and norms of a group of people. When we visit a foreign country and observe its culture as being industrious, we mean that the people value hard work, that they believe hard work will bring them the results they want, and that people are typically seen hard at work.

The culture of a company is also visible. In Company A, service employees are enthusiastic about selling, they believe that the company makes more profit when service people sell, and service people typically sell additional services to their clients. In Company B, service employees value giving service but do not value selling, they believe that good service (rather than selling) makes the company successful, and they rarely sell to their clients. The cultures are different.

The President of Company B may say, "We need a sales culture like Company A has. People here have to feel that selling is important. They need to believe that selling leads to profit. The norm around here needs to be that service people look for ways of selling more to our clients and pursue those sales." But the President is jumping the gun. The starting point is to understand what the business problem is.

BUSINESS PROBLEMS AND CULTURE

At the core, it is not Company B's culture that should worry its president. Rather, the concern should be that:

1. strategic targets are missed because service employees are not selling.
2. working capability is wasted. Service employees already have rapport with clients and can easily upsell or cross-sell more business to them. The company, instead, is making an expensive investment in sales reps who are asked to do the more difficult work of finding new clients, building rapport with them, and selling new contracts to them.
3. service employees feel at risk having a vague sense that they are displeasing someone higher up in the organization by not selling.

The company is ineffective, inefficient and lacking in trust, all of which will hurt its profits. These are the business issues. The challenge is not to develop a sales culture but simply to get service people selling more. Table 1 shows the business issues at the root of so-called culture problems.

Table 1: The Business Problems Underlying the “Culture” Problems

When the CEO complains that:	the business problem is:
“We need a sales culture,”	the strategy requires certain employees to sell and they are not selling.
“We need a service culture,”	the strategy requires good service, and the service isn’t good.
“Our culture lacks accountability,”	employees don’t do what the strategy requires them to and there are no consequences.
“We need a culture open to diversity,”	because some employees do not accept people from different groups, we’re not hiring and promoting the best people and there is mistrust.

But can’t training bring about culture change that solves business problems? Let’s look at that question now.

TRAINING TO CHANGE CULTURE TO SOLVE BUSINESS ISSUES

Let’s say that President B, believing culture to be at the root of the problem, asks the Training Department to conduct training to make employees value selling more, believe that selling leads to profit and start selling. This is a difficult assignment.

- Values change very slowly, if at all. The organization may want me to value selling, serving, accountability or diversity, but I’ve had my values for a long time and a two- or three-day training program is unlikely to change my values much
- If you give me an argument that is convincing to me, you may be able to change my beliefs. But I’ve had my beliefs for a long time, and they are intertwined with my values, so it is unlikely that a training program will change beliefs much.
- A training program may encourage me to spend more time selling, but the effect is likely to be short lasting if my manager continues holding me accountable for doing things other than selling.

But there are two more serious problems with it.

First, it is a violation of our rights in a free and democratic society to be required by an employer to change one's values and beliefs. As my employer, you can require me to sell, but don't even try to get me to value selling. My values are my own business. As my employer, it may be useful for you to explain to me why you believe selling will increase profit, but don't try to get me to share your belief. My beliefs are my own business. My employment contract with you requires me to work effectively on tasks you've set out for me, not to have certain values or beliefs.

Second, there is something ineffective and inefficient about the training approach to culture change as a solution to business problems. It is peculiarly reminiscent of public relations campaigns such as government attempts to convince people to stop smoking. Let's look at the similarities of approach and differences in context.

The Government of Canada requires cigarette packages to display disgusting pictures of diseased lungs and other cancer-ridden organs in effort to make smoking less appealing. It sponsors advertisements demonstrating the heartbreak felt in families when a member dies from the effects of smoking to induce guilt in smokers. It publishes results of research about the effect of smoking on health to expand belief that smoking is bad for one's health. Because smoking is legal, the Department of Health can only reduce the incidence of smoking by addressing our values and beliefs to make us want not to smoke. And because we live in an open, democratic society, the government cannot force us to change our beliefs or values.

The Department of Health has no ability to require us to stop smoking, but our employers are in a different relationship to us. Employees have a contractual obligation to work effectively on assigned tasks while staying within policy. President B doesn't need employees to **value** selling, nor to **believe** that selling leads to profit. President B just needs employees to **sell**. Table 2 shows a variety of value and belief requirements translated back to the business issues that they represent.

Table 2: Translating Values and Beliefs Requirements into Performance Requirements

When we ask employees to:	we need, instead, to require and help:
be enthusiastic about selling and believe it to be important,	the employees to sell.
be enthusiastic about service and believe it to be important,	the employees to give excellent service.
desire accountability and believe it to be important	managers to hold employees accountable for working effectively and within policy.
believe that all people and all cultures are equal and to value people regardless of their background	managers to recruit, select, assign tasks to and promote employees based on their capability.

Why would companies take the circuitous route they often do? Why do they try to change values and beliefs when it is behaviours that need to be changed? One reason is a belief that employees must share their employer's values and beliefs in order to be fully engaged in their work. I have seen this belief stated in various forms many times, but I have never seen it supported by evidence. Certainly, employees must value doing the work in their roles, but they can value it because they are committed to their company's mission or because they need the money or because they enjoy the intellectual challenge or for a host of other reasons. They do not need to share their employer's values and beliefs.

Let's take the example of employees in the maternity clinic of a hospital that just became Catholic¹. The previous directors of the hospital had various beliefs about when life begins but they valued a woman's right to terminate her pregnancy. The new directors believe that life begins at conception, and they value the foetus's right to life. The employees' jobs used to require them to inform pregnant women in difficult circumstances about abortion options. Their jobs now forbid them to discuss abortion as an option. Do these employees have to change their values and beliefs in order to perform well in their re-defined roles? Let's consider how employees' values and beliefs might affect their commitment to their work under the new management.

¹ This example was chosen because it illustrates the variety of ways in which values and beliefs affect employees' commitment to their work, not to make any comments on the abortion controversy itself. The issues raised would be substantially the same if the example were of a Catholic hospital that changed ownership so that employees, previously forbidden to suggest abortion, were now required to suggest it under certain circumstances.

- Some employees may believe it is unethical not to offer abortion to women under certain circumstances. Any attempt by the hospital to change these employees' values and beliefs would be not only futile but also highly offensive to the employees. These employees would not stay in their roles unless they were driven to it by economic necessity. The hospital has effectively removed these employees from their previous roles and needs either to find new roles for them or lay them off without cause.
- Some employees may have taken their job in order to be able to help women obtain abortions. Here, too, an attempt by the hospital to change what these employees want to do for a living is likely not only to fail but also to feel intrusive to the employees. And these employees, too, will likely leave their roles unless required to keep unless economic pressures require them to stay.
- Some employees may enjoy activities involved with helping women get abortions without this being a major reason why they took the job. They will not need to have their values and beliefs changed in order to do a good job. They just need to a) understand what the hospital is trying to achieve b) understand what they are required to do and not do and c) have skills needed for their new tasks.

Training employees to change their values and beliefs is both unnecessary and offensive. In addition, imagine the cynicism that would result if the hospital changed hands again. First the employees are trained to value the right of the foetus to live and then they are trained to value the right of the mother to have an abortion. Surely employees will become fatigued at these efforts to change their own orientation to the world.

We do not need to agree with our employers on issues of values and beliefs. We just need to be able to work within the resulting accountabilities. But there is a second reason why companies take the circuitous route of trying to change values and beliefs instead of holding employees accountable for their behaviours. In North American culture, we are generally reluctant to tell people what to do. In Canada it is considered impolite, and in the U.S. it is considered undemocratic. How is it that a company's managers believe they have the right to ask employees to change their values but not to tell them to change their behaviour? Perhaps they do not know how to require behaviours in a polite, respectful yet effective manner. Let's now see how that can be done.

THE ALTERNATIVE: POLICY, STRUCTURE AND GOOD MANAGEMENT

IS IT ACCEPTABLE TO TELL EMPLOYEES WHAT TO DO?

The starting point for our reframe is the employment contract. What employees agree to give in exchange for their compensation is their best efforts to work on tasks assigned by their manager while staying within policy. Ideally, the employment contract will specify the level of tasks to be assigned (so someone hired as a Director is not given front-line-level work, or vice versa) and the type of tasks to be assigned (so someone hired for marketing is not given manufacturing work to do or vice versa).

Sometimes, the types of realignment required for strategic change constitute a change of employment contract. If a company requires a professional to sell, when selling is something they simply do not want to do, they may decide they no longer wish to work there. In such cases, it is not for the employer to persuade them to change their values and beliefs but, rather, to either find them a role they are interested in working in or to lay them off.

Assuming the new accountabilities fall within what employees are willing to do, managers can assign work to them. Of course, managers must be reasonably polite, and they need to solicit and consider their subordinates' advice. Within those constraints, there is nothing undemocratic or impolite about a manager's telling a subordinate to do something. It is the manager's very right to do so that the employee has given in exchange for compensation.

USE OF POLICY AND STRUCTURE IN STRATEGIC CHANGE

Policy is a behavioural requirement that applies to all employees or all who are part of a specific group e.g. all managers or everyone in the Marketing Department or all employees in the organization. Good policy is clear cut. It doesn't require judgement to determine whether an employee has broken policy e.g. against lying or stealing. Our President B could help ensure more sales through a policy requiring all service people to ask, after delivering service, a set of questions aimed at selling more work.

Similarly, a CEO desiring greater openness to diversity among employees might institute a policy requiring all new hiring to be done through a process that ensures that a) all potential sources of new hires have been considered (not just those that would bring in people of the same social group as those already employed) and b) someone from HR, the hiring manager and his/her manager all would be involved in the hiring process (so that bias could only happen through collusion of a number of people).

Organizational structure is not just the geometry of boxes and lines on an org chart. Rather, it is the system of accountabilities and authorities that are in the various roles, role relationships and policies in the organization. Some strategic change requires addition of new roles or new accountabilities in existing roles. Typically, organizations that are trying to develop a “sales culture” really need sales accountabilities to be added to roles that previously did not have them. Sometimes, the addition of those sales accountabilities actually makes the role more complex to the extent that the only employees capable of meeting the new accountabilities are those who were bored with the role as it used to be. Table 3 shows the role of policy and structure in solving business problems that are framed as culture problems.

Table 3: The Role of Policy and Structure

When the CEO complains that:	we need to:
“We need a sales culture,”	build accountability to sell in some roles.
“We need a service culture,”	build accountability to give service in some roles.
“We have a culture of lack of accountability,”	build into policy the accountability for employees to give their best efforts to work on tasks assigned by managers and accountability for managers for their subordinates’ outputs and working behaviour.
“We need a culture open to diversity,”	build into policy recruitment and hiring processes that make it less likely that hiring will be affected by bias.

USE OF MANAGEMENT IN STRATEGIC CHANGE

Policy and structure outline employees’ accountabilities regarding a new strategy. But **calling** them accountabilities doesn’t **make** them accountabilities. It takes managers to:

1. set context, e.g. explaining to employees why they need to sell and explaining what dynamics among various client groups will affect what and how they will buy

2. assign tasks, e.g. explaining clearly what sales outcomes employees should work to achieve
3. build teamwork so employees know how they are to work with each other
4. adjust tasks, e.g. when changes in the environment make a previous sales target much more difficult to achieve than originally expected
5. monitor employees' work sufficiently to know whether outputs are as expected and whether the employee is working effectively
6. coach employees to help them learn to sell better, perhaps sending them on courses if their skill is not sufficient
7. appraise performance, taking stock on a yearly basis how well the employee has worked and giving bonuses to employees who work especially well.
8. dismiss employees when they commit a serious breach of policy or deselect them when they are consistently not working as effectively as needed. employees

In short, the manager's role in addressing business issues is to a) explain to employees how they now need to perform b) support them in performing as required, and c) hold them accountable for that performance through consequences, both positive and negative according to the manager's judgment of how effectively the employee works.

THE ROLE OF TRAINING IN THE MANAGEMENT APPROACH

Business issues are not addressed by using training to change culture. However, there are at least four ways in which training can be very useful in addressing business issues:

1. Employees need to understand what the new direction of the organization is, why the change is happening, and other issues surrounding their new work. It is the manager's accountability to ensure that employees understand the context of their work, but in times of major corporate change, some of the context setting can be done most effectively in group sessions that can be conducted by Training.
2. Employees need to understand whatever policy changes have been made to address the business issues. Again, managers need to ensure that their subordinates understand policy that affects them, but group sessions can be a useful component of policy communication.
3. In many organizations, managers are not skilled at setting context, assigning tasks clearly, building teamwork, and other practices of managerial leadership. The Training Department can help them develop those skills.

4. Perhaps most important role for Training is in helping employees develop the skills they will need for their new accountabilities. President B would do well to instruct the company's Training Department to develop sales training for all of the service employees so they will know how to meet their new sales accountabilities.

None of this training is intrusive. None of it violates employees' rights to their own values and beliefs. And all of it is testable. At the end of the training, it will not be difficult to determine whether employees understand the changes and why they are happening, whether they understand the new policies and their implications, whether managers are better skilled in managerial leadership practices, and whether service people have the sales skills they need.

CULTURE AS EPIPHENOMENON

The managerial changes described above will certainly change the culture of Company B. When policy, roles and accountability now require service people to sell (to the point that those who simply do not want to sell for a living have left the organization), when employees understand why the changes are being made, when service employees have been given the chance to develop and improve their sales skills, we would certainly expect a result to be what is called a "sales culture". Employees will value selling more than they did, they will believe it is important and, most significantly, selling will be the norm among service people. However, it was not culture change that addressed the business issues, but managerial changes to address the business issues that produced the culture change.

An epiphenomenon is a fact or event that accompanies a primary fact or event and is caused by it. Culture is an epiphenomenon. It accompanies changes in strategy, accountability, systems and training and is caused by them. Trying to change an organization by changing its culture confuses the cause with the effect.

If you want to bring about business changes, start with accountability. If you build it, the business changes will come, and culture will tag along.