

Change Management and Organisational Culture

How do we create real organisational momentum and execute our business strategy?

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Many organisations have ambitious strategies, carefully prepared action plans and clearly defined objectives. Yet the expected results fail to materialise. Why?

A substantial part of the explanation lies in corporate culture — the shared assumptions, habits, relationships and patterns of action that determine what people actually do in everyday working life.

Change management is therefore not merely about communicating a new strategy. It is about developing people, leadership teams and organisations so they can translate new ambitions into lasting behaviour and business results.

Corporate culture — the organisation's shared mental map

Culture has many definitions, and many outstanding organisational and leadership experts have written shelves of books on the subject. I have devoured many of them, developed my own framework of understanding and created tools and methods that I have used in my consulting work with numerous clients for more than 20 years.

The late Edgar H. Schein, Professor Emeritus of Management at MIT Sloan School of Management, was one of the world's leading experts on organisational culture, development and leadership. He captured the subject with great precision.

Shared patterns of thought and action emerge in an organisation and spread both unconsciously and deliberately — for example through onboarding programmes, leadership workshops and communication. A kind of collective mental programming.

What management systematically pays attention to and rewards becomes a cornerstone of the tribe's cultural foundation. Culture grows out of a vision and mission which, when effective, establish a fundamental sense of ownership among individuals, teams and leaders.

This fuels self-leadership in daily life because there is a taken-for-granted shared mental map with a common compass bearing. Culture thus provides the foundation for powerful driving forces that sustain a shared identity and make the organisation's purpose meaningful.

Change and development programmes will therefore only succeed if they are consistent with these driving forces — or at least do not contradict them.

Why good strategies do not necessarily create cultural change

In my article [Successful Cultural Change](#), written ten years ago, I described how organisations too often reach for quick fixes: another course, another team-building activity, another action plan or a new management concept.

The problem is not necessarily the activities themselves, but that they rarely create sufficient coherence between organisational strategy, leadership behaviour and employees' everyday actions.

The article also describes experiences with development initiatives at ISS, where social responsibility and new organisational solutions were connected to the company's business.

The example illustrates a central point: Cultural change does not last because management launches a new set of values. It lasts when new ways of thinking, collaborating and creating value become a natural part of everyday organisational life.

A board or executive meeting can decide on a new direction. But it cannot decide on a new culture in the same way. Culture must be developed, practised, experienced and sustained in real life.

Creating a new shared mental map requires strong cohesion within the leadership team.

For this to happen, every management team member must work on their personal leadership and their ability to go through difficult changes themselves — experiencing in body, mind and heart the mechanisms that so elegantly try to protect the organism from what is unknown and potentially dangerous — WHILE mobilising strong inner readiness grounded in a positive, resourceful mindset.

This is where organisational development and business development meet. We act our way towards new, shared patterns of thought.

Leadership is different from management

John P. Kotter, one of the most widely recognised researchers and experts in change management, explains the distinction between management and leadership exceptionally well.

Management is essential for creating structure, coordination, stability and order in complex organisations. Leadership is needed when people must move into something new and uncertain — when they must navigate chaos.

A management team may be skilled at controlling finances, operations and projects yet lack the collective ability to change the organisation's behaviour.

This requires leaders not only to agree on strategy but also to develop trust, courage, personal accountability and the ability to stand together when change becomes difficult.

From management team to Dream Team

Once a team can do that, it can develop [Shared High Team Standards \(FHTS\)](#): a kind of modus operandi, corner flags on the shared playing field, for which members hold one another mutually accountable through thick and thin in delivering results.

Over time, the level of these standards may enable the team to deliver consistently extraordinary results. Such teams are sometimes called “High Performance Teams”. In my terminology: “Dream Teams”. How such teams are created in the real world is fascinating to study.

FHTS is therefore not merely about values or statements of intent. It means translating shared ambitions into concrete standards for behaviour, collaboration, decision-making, conflict management and accountability for results.

The standards only become valuable when leaders use them to hold themselves and one another accountable — even when it is uncomfortable.

How do we spread change throughout the organisation?

How, then, can this new behaviour, mindset and unwavering fighting spirit spread throughout the organisation and its business?

Twenty-five years ago, in Copenhagen, I met David P. Hanna — a colleague of Stephen Covey, the author of the timeless “7 Habits” — when Hanna published his latest book, “Leadership for the Future: Today’s Results, Tomorrow’s Foundation”. I spoke with him privately for two hours about organisational development. In short, David gave me a magic formula for succeeding in this important area.

His idea was to take the square root of the number of people in the organisation and mobilise those individuals to drive different projects that were particularly important to executing the business strategy.

On reflection, I realised this was also a solution to an important but not especially well-explained element of Kotter’s eight-step model for successful change: the so-called guiding coalition.

The guiding coalition must create movement

Kotter’s concept of a guiding coalition points to the need to bring together people with influence, credibility and the will to drive change.

In practice, however, appointing a project group or a number of formal leaders is not enough.

The decisive difference arises when committed, action-oriented people are given the opportunity to work on strategically important challenges, influence others and demonstrate new ways of achieving results.

This is where leadership development, organisational development and the practical execution of business strategy connect.

Ildstorm — from passionate individuals to organisational momentum

My conversation with David inspired my own method and approach to change management and cultural development as prerequisites for successful strategy execution: [Ildstorm](#) (literally, “Firestorm”).

At its core, Ildstorm involves:

- identifying people throughout the organisation who — regardless of rank or seniority — have that unmistakable spark in their eyes;
- giving them the right encouragement so that their commitment ignites from within;
- enabling them to energise the critically important sub-goals, which I call strategic focal points;
- coordinating their efforts to generate organisational and commercial momentum towards the ultimate goal through a chimney effect — an accelerating pull towards the centre.

We sometimes call these people change agents, passionate champions or cultural standard-bearers.

A crucial human capability in this role is unwavering determination to win, mentally embracing success at the deepest level while remaining realistic about the hard facts that stand in the way. This is also known as the Stockdale Paradox.

Ildstorm thus follows a different logic from traditional change programmes, in which management designs every activity first and then tries to persuade employees to support it.

Instead, people are mobilised across organisational boundaries around concrete strategic focal points. The aim is a self-reinforcing movement in which initiatives support one another and visible results generate energy for further

development.

Resistance to change — and why training is necessary

The natural defence mechanism of an organism that perceives a possible threat is a beautifully designed survival strategy known as immunity to change.

Thirty-five years ago, I encountered similar functionality in chemistry through Le Chatelier's Principle. The principle describes how a system disturbed in one direction tends to respond in the opposite direction. Here I use it as a metaphor for counter-reactions, not as a literal scientific explanation of human behaviour.

Both forms of resistance can be overcome, but not without battles on many fronts, over an extended period, with repeated attempts and iterations.

Persistence and follow-up are therefore the driving mechanisms behind the execution of any ambitious plan.

Why a burning platform is not enough

In "Successful Cultural Change", I argued against the idea that fear and a sense of crisis are sufficient to create the necessary energy for change.

A burning platform can trigger immediate action. But fear can also create defensive behaviour, narrow focus and attempts to preserve what is familiar.

For leaders, the interesting question is therefore not only how to overcome resistance, but how to develop the organisation's ability to handle uncertainty, learn and act differently.

If people are to change their behaviour, they must practise new patterns of action. If a management team avoids conflict, it must practise constructive disagreement. If a company wants greater customer orientation, its leaders must get closer to customers' reality.

New levels of performance require new habits — and new habits require repetition, feedback and persistence.

From organisational and cultural development to strategy execution

I described all of this in my book [The Leader's Inspiration Guide](#), which I wrote in one month in 2012 alongside my CBA dissertation [LeaderShop: The Key to Successful Strategy Execution](#).

Ultimately, senior management must itself kindle and collectively sustain the sacred fire through new shared meaning, fully committing to live and breathe the desired culture every day — rather than offering moral support only when convenient.

Change becomes strategically interesting only when it makes a difference to the organisation's ability to deliver value.

The LeaderShop model therefore connects organisational strategy with leadership competencies, development initiatives, collaboration and concrete business results.

A strong corporate culture is not an objective isolated from the business. It is part of the organisation's capacity to create quality, innovation, productivity and excellent customer experiences.

Cultural development must therefore begin with a fundamental understanding of what the company needs to achieve — and for whom.

Customer value as the ultimate guiding principle

The new culture must be rooted in the changing circumstances the world presents — circumstances we can proactively meet together through a solid understanding of what customers truly love, miss or hate about our products and services in relation to the problem they hire us to solve.

Clayton M. Christensen describes this in “The Innovator’s Solution” as circumstance-based jobs-to-be-done customer segmentation. It is an elegant elaboration of Theodore Levitt’s legendary statement in his 1960 Harvard Business Review article “Marketing Myopia”: “People don’t want to buy a quarter-inch drill. They want a quarter-inch hole!”

Ultimately, change management and cultural development are about understanding this deeply.

You can read more in the current client case [LEAP](#), where I explain how to design and deliver a development programme to address precisely this challenge.

Conclusion — cultural change requires more than a strategy

Successful change management means creating a coherent movement from personal leadership to collective organisational momentum.

It takes leaders who courageously enter unfamiliar territory, management teams with high shared team standards, committed change agents and persistent practice of new patterns of action.

But it also requires clear commercial direction, so everyone understands how their contribution creates value for customers.

When these elements work together, corporate culture ceases to be an obstacle to strategy and becomes one of the strongest forces for bringing it to life.

Would you like to develop a corporate culture where strategy turns into real action?

Cronquist Consult ApS helps companies with change management, management team development and strategy execution through integrated development programmes. [Contact us](#).