

Solutions

When Organizational Change Fails

Targeted, internal initiatives can help advance strategic organizational change—but there is often a better approach.

By [David La Piana](#) | Aug. 26, 2016

We've all been there. Senior management or maybe the board has decided to take action on a organizational issue. It clearly describes the challenge and clearly articulates the solution. The organization develops an internal initiative and assigns responsibilities, and the work moves forward—or not.

What happened?

In many cases, these stalemates happen when organizations misunderstand the nature of the challenge they face. Some challenges require a technical solution: a series of necessary, sequential steps that lead to a desired end. Organizational initiatives—what we think of as well-defined, time-limited, organized attempts to achieve specific outcomes through the concentrated work of a subset of staff, contractors, and possibly volunteers—embody this approach. Overhauling information technology systems, modernizing human resource processes, and building a more robust fund development function are all essentially technical challenges that require the expertise of a subset of specialists, and often, a well-structured initiative can get the job done.

But many organizational challenges are not technical at their core; they are cultural. There are times when we must not only change the things we do and the way we do them, but also how we think and feel about our roles and our organization. Here, neatly defined initiatives fail us.

I have come across many well-intentioned organizations attempting to more fully embody their values, especially regarding diversity, equity, and inclusion (DEI). Organizations are now launching “DEI Initiatives,” often within human resources, as a way to bring about desired, long-overdue changes. But

in my experience, creating a standalone initiative almost surely dooms the effort. Recently, one national organization told me it needed a thorough, strategic review and an update of its business model, undertaken “in a way that fits with our DEI initiative.” When pressed, the organization’s leaders had no idea what passing that DEI test would look like—it was a box to check. The group is trying to institute a process solution for what is essentially a cultural challenge. Opening a new service site, adding an affiliate in a new city, or updating an aging program model are all changes that require that organizations not only work through specific steps, but also shift their thinking.

The technical, initiative approach is also ill suited to most organizational strategic challenges. Why? Because a new strategy requires, in a very real sense, a new culture to carry it out. Launching a post-merger integration effort, one organization created a long list of tasks, but the implementation stalled until leaders realized that they needed to make all the technical fixes within the context of a new, merged culture. Another organization sweated the details of its financial model through a months-long business-planning process, only to realize that without a significant commitment from its board, the new initiative would fail.

Consultant John McLaughlin **defines organizational culture** as “a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.” Most major strategic challenges, sometimes called “**adaptive**” **challenges**, require that we change the very assumptions, values, and beliefs that bind members of an organization.

For example, in many organizations, different operating units or programs highly prize independence. This cultural attribute can lead to long-term job satisfaction by promoting stability and group bonding around shared norms within those teams, but it can also weaken an organization’s overall impact by decentralizing accountability. Attempts to devise a necessary organizational response to a challenge, such as strategic planning processes, may bring together groups who, by unspoken agreement, are reluctant to “meddle” in each other’s work. The result is often a reinstatement of the status quo that leaves the organization’s aspirations for change—and greater results—unfulfilled.

I have found that successfully addressing non-technical challenges almost always requires a culture change. As a result, every strategic challenge has three components:

1. Defining the problem correctly
2. Devising the correct strategy to address it

3. Moving the culture to implement the changes necessary to make the strategy a success

Over the past 50 years, organizations and the consultants who serve them have devised increasingly effective approaches to defining a problem (including market research, trend analysis, competitor scans, and organizational assessments) and devising a strategy (through approaches such as scenario planning or our own **Real-Time Strategic Planning** methodology), but we still somehow assume that a solid implementation plan will ensure that an organization successfully adopts the agreed-on changes. Most often, without culture change, it does not.

Because organizational culture—comprised of mostly unspoken norms—is such a powerful driver determining organization members' behavior, the first task in culture change is to make culture's implicit assumptions, values, and beliefs explicit so that the organization can examine them. Culture change can begin with a simple assessment using tools such as the **Organizational Culture Assessment Instrument** (OCAI). The OCAI and other instruments are most useful when organizations use them not to judge but to frame a series of conversations about culture. Those conducting the assessment should expect some resistance: Even though certain long-held, shared beliefs may not stand up to close scrutiny, some organization members will fiercely defend them if challenged. For example, one national organization is wedded to a decentralized fundraising model where each program seeks funds independently. While the organization recognizes this arrangement hampers its efforts to mount a larger, organization-wide, individual donor campaign, it is unable to abandon its long-held belief that this is how fundraising happens. This culture prizes each program's independence above greater overall effectiveness.

I have found only one reliable touchstone for the difficult but necessary conversations involved in culture change: the organization's mission. Since culture is organization members' medium for relating to one another, it should come as no surprise that it begins with a shared interest in the mission—that's why people join the cause in the first place. Some organizations even **create a culture manifesto**. However, over time, people can mistake maintaining their culture for mission advancement. When organization members examine the impact of their shared assumptions, values, and beliefs—and thus assess their culture's impact on mission advancement—it quite often makes difficult conversations possible and mission-advancing culture change imaginable. I recently experienced a powerful example: Two labor unions had a long history of competition and animosity. Through a process led by their senior leaders, they examined the basis for these long-held beliefs and overcame them, forging a historic partnership.

Once an organization identifies a complex cultural challenge, it has a choice about how to proceed. Senior leadership can hand the problem to a group of specialists who have limited influence and narrow authority, and where the effort must vie with multiple competing priorities—or it can embrace the challenges and lead the change, imbuing it with their credibility and ability to influence all parts of the system. The former—which often boils down to launching an initiative—may seem like a way to minimize the disruption of the change process through compartmentalization, or by confining it to a few people. Unfortunately, this is also the very thing that minimizes the impact of the initiative approach. People follow the focus of senior leaders. An initiative that doesn't involve them sends the message that it must not be all that important. In the labor example above, the presidents' direct participation in the process marked a turning point in how union members viewed the seriousness of potential partnership.

These days, when someone tells me they are launching a morale-building initiative within human resources or a DEI initiative led by an ad hoc committee, I cringe. Cultural change doesn't come through a time-limited initiative, it comes through a long-term organizational commitment to evolution, to changing the culture where it lives: inside the hearts and minds of the organization's people.



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