

## Learning and Behaviour: Addressing the Culture Change Conundrum (Part 2)+

Prof. Colin Coulson-Thomas\*  
Adaptation Ltd and University of Greenwich

[+Published as: Colin Coulson-Thomas (2015), Learning and behaviour: addressing the culture change conundrum: part two, *Industrial and Commercial Training*, Vol. 47 No. 4, pp.182 - 189]

In part 1 of this article we examined the drivers of calls for a change of corporate culture and the relationship between culture and the desire to alter certain behaviours of people in organisations, drawing upon the results of a five-year study (Coulson-Thomas, 2012a & b, 2013) that employed a mixed-methods approach building upon earlier survey findings with the results of early adopter case studies (Creswell, 2003; Tashakkori and Teddle, 2003; Creswell and Clark, 2007). The use of performance support which can integrate learning and working and represents an affordable way of changing the behaviour of particular and front-line work-groups independently of corporate culture was introduced.

We saw that changing a culture defined in terms of deeply held attitudes, values and beliefs is problematic, but that required changes of behaviour can often be quickly accomplished. In the second part of this article we will examine how performance support, which is one way of altering behaviour and delivering benefits for multiple stakeholders, can address particular problems and issues. We will also consider its implications for leadership and the training and development and HR communities.

### Particular Problems and Issues

A problem with codes of practice and statements of values or conduct is that the guidance that is provided is often excessively general as a result of being drafted to cover a wide range of people, situations and circumstances. Applications of performance support can be much more specific and can address dilemmas and practical problems encountered at different stages of addressing particular issues and requirements, including when trying novel options. Instead of just articulating general principles one can provide relevant help. John Harvey-Jones (1988) stressed the importance of making things happen.

People may also bring their own backgrounds, beliefs and pre-dispositions into the workplace. This can colour attitudes towards general principles and statements of conduct. Some will be cynical, others disinterested. Practical help that makes it easier and less stressful to undertake a difficult job, and support that increases understanding and confidence, is more likely to receive a favourable reception and to be embraced. The relevance of appropriate support can be quickly appreciated.

Checks can be built into support provided to reduce risks, ensure compliance and prevent certain actions. Windows can open to explain why an option cannot be pursued, so that understanding and competence can be built over time. Advice and guidance can be changed as situations, objectives and priorities change to enable a work group to remain current and competitive. The evidence of users in a wide range of sectors is that providing better performance support can enable effective and innovative behaviours and benefit both people and organisations (Coulson-Thomas, 2007, 2012a & b, 2013).

An issue for certain boards could be whether ensuring compliance and avoiding risks might inhibit innovation. There is some evidence that entrepreneurs take better decisions as opposed to riskier ones (Brockhaus, 1980). Performance support can share more effective approaches and the incorporation of pointers and blockers can enable more responsible risk taking. As we will see later in relation to entrepreneurial leadership it can also enable the results of innovation to be rapidly disseminated and its benefits to be quickly secured.

'Traditional' approaches often enable individuals to consider whether or not, and to what extent, to comply or follow guidance. For some people, deciding what to do may be a question of carrots and sticks. They may weigh personal advantages against the risks of being caught. In contrast, the use of support that enables

certain courses of action, precludes others and delivers tangible benefits to those who use it may not involve such calculations.

There is evidence that the ethics, values and the perceptions of people in managerial roles can be a determinant of the extent of fraudulent behaviour (Cohen et al, 2010). Addressing challenges in this arena requires vigilance to ensure that the right people are appointed to executive positions, and there is an objective understanding of the realities of a situation and what needs to change (Olver, 2013). Front-line support may not prevent abuses at a more senior level in organisations, but it can free up resources to allow boards and compliance teams to concentrate upon areas of greater risk.

### Benefits of Providing Better Support

People who are properly supported can benefit from increased understanding, reduced stress and gain the confidence and competence to more easily address more demanding issues. Organisations find that they can benefit from higher performance, lower costs, improved decision making and evidenced compliance. Customers, clients and citizens can benefit from quicker and bespoke responses, and they can be helped to help themselves. The environment can also benefit when people are enabled to take more sustainable purchasing and lifestyle decisions. .

Developing applications to support particular work-groups or new venture teams in dealing with particular problems can be relatively simple compared with the challenge of devising rules and regulations to cope with a wide range of different issues. The latter tend to become complex and difficult and costly to administer and apply. When introducing performance support, one can begin with the areas of greatest potential and/or risk and one need only consider what is relevant to the issues in question.

Mats Alvesson (2002) highlights the purposes that corporate culture can serve. Some of these can be beneficial. Changing the behaviour of key work-groups independently of culture, and on a focused and selective basis, can reduce the risk of unintended and unexpected consequences. Applications can be specifically developed to prevent a negative such as mis-selling and ensure compliance or support a positive objective such as tailored responses, innovation and enterprise.

Applications examined have delivered high multiple returns on investment within a few weeks or months without any requirement to change the cultures, structures or the technology infrastructures of the organisations concerned (Coulson-Thomas, 2012a & b, 2013). The wide range of areas in which applications were found suggest that the strategic use of performance support could be transformational and justifies a new approach to leadership, governance and management.

### Entrepreneurship Development

Donald Kuratko and Jeffrey Hornsby (1998) are among those who have stressed the importance of entrepreneurial leadership. Innovation can require trying a number of alternatives and evaluating the consequences. Companies may be reluctant to give people a free hand because of legal, regulatory, quality and other requirements and implications. Ensuring compliance can require time consuming assessment and testing, which may also inhibit the refinement, improvement or bespokeing of an existing offering.

With many traditional approaches in areas such as the management of risks some directors and boards are reluctant to allow the discretion that innovation and enterprise might require. Checks and balances that are built into the support that is provided to front-line staff endeavouring to bespoke solutions or to new product or new venture teams, and which can allow alternatives to be assessed, can enable responsible innovation and allow a board to 'let go' in the areas concerned. The solution can be the provision of support that incorporates social networking and enables people to learn from its use rather than traditional training.

The ability of performance support, when appropriately adopted, to enable people to confidently address new and complex challenges in the knowledge that compliance checks are built in, can be liberating and conducive of faster innovation. A basic application cannot be a panacea for every problem likely to be encountered, but the experience of early adopters suggests relatively straightforward support can make a significant contribution, while the cost-effectiveness of tools increases with the number of users, options

explored, and changes introduced (Coulson-Thomas, 2007, 2012a & b, 2013).

In his classic study of the diffusion of innovation, Everett Rogers (1983) identified factors and characteristics of adopters that can influence the spread of a new development. The commercial return from successful innovation can depend greatly upon the speed with which new offerings can be rolled out into the marketplace. With appropriate performance support a sales force and business partners can be quickly enabled to understand and successfully sell them, while customers and end-users can also be directly helped.

Performance support is particularly suited to launching new products. Details can be quickly communicated around the world. Animations and video footage can show offerings in use, and secrecy can be maintained until the moment of release. Managers can delegate, maintain quality and avoid risks. Automating routine tasks also frees up time for differentiation and tailoring that may justify a price premium.

### 'New Leadership'

The 'new leadership' required to remain current and competitive in uncertain and insecure times requires a shift of emphasis away from general corporate wide initiatives, including those to change corporate cultures, and top-down strategy formulation and motivation (Coulson-Thomas, 2012a & b, 2013). Many organisations would benefit from greater focus on the implementation of policies, helping people and the provision of better support, particularly of front-line work-groups delivering key corporate objectives, that can be effective with existing people and existing cultures and structures.

One can only speculate, but some boards might feel more exposed on learning of a cost-effective way of quickly changing behaviour and preventing certain outcomes. Hitherto, when companies have had heavy fines imposed upon them for misconduct and breaches of regulations, most directors have emerged relatively unscathed. Very few have been brought to book. One assumes they have successfully argued that any misdemeanour's have been the result of the actions of other people who have not followed the principles or displayed the values established by the board.

Compared with hiding behind motherhood statements and general principles, it might be more difficult for directors to explain why practical and cost-effective approaches that would have ensured compliance and delivered a range of other benefits have not been adopted. A greater ability to implement might increase the accountability of boards, which is desirable from an owner and investor perspective. Wider adoption of performance support as a means of enabling people to both excel and comply may also widen the gulf between the most and the least effective boards.

### Avoiding Unnecessary Change

Calls for general and fundamental change of structure, culture or procedures should trigger alarm bells. Continuity can be as important as change, particularly continuity of relationships and consistency of experience that meets customer expectations and requirements. Too much change and change for changes sake can create new opportunities for fraud, theft, hacking and other abuses. Uncertainty during a period of transition or transformation, or while changes are bedding in, can create new loopholes and vulnerabilities.

Customers, employees, business partners, suppliers and investors often represent a diversity of cultures, religions, values and nationalities. A variety of perspectives can spur creativity. General culture change is often advocated where there are affordable ways of quickly changing behaviour and achieving other aims with existing people and cultures. Fraud and other abuses usually result from technical loopholes and vulnerabilities rather than deficiencies of general attitudes and values.

Too many directors are concerned with rhetoric rather than reality. They feel virtuous rather than deal with problems. They call for a culture of greater vigilance and honesty rather than adopt better monitoring systems, counter fraud measures and/or practical steps to quickly close loopholes and make it easier for people to respond in desired ways. Principles that set the tone are not enough. People in the front-line many need the performance support that makes it easy for them to behave and respond appropriately and difficult for them to ignore policies and break rules.

## 'New Leadership' and Performance Support

In summary, many general corporate culture change programmes and associated training may be unnecessary if their purpose is to quickly change specific behaviours in particular areas. They might also be problematic in organisations that need to embrace a diversity of cultures and encourage a variety of approaches and behaviours across different functions and business units. Performance support which integrates learning and working can be a cost-effective way of changing behaviour, ensuring compliance, enabling people to innovate and remain current and competitive, and delivering multiple objectives without requiring a change of culture or structure (Coulson-Thomas, 2012a, 2013, 2014 a-d).

Performance support tools can increase understanding, competence and confidence each time they are used, enabling people to stay current and competitive. The approach can be used to limit and/or prevent fraud and mis-selling. Too many boards introduce structural and other changes that create new opportunities for abuse, while seemingly unaware of practical and cost-effective steps that can be quickly taken to prevent breaches of rules and policies and make it easier for people to excel and behave in desired ways

Applying the principles of 'new leadership' to the support of innovation and enterprise, the roles of central support units and the tools and services they provide could be changed to enable companies to become incubators of new ventures and enterprises. For many people with intrapreneurial aspirations the issue is not a lack of motivation but the availability of the practical help that will allow them to responsibly innovate. Relevant support might enable them to more safely explore, pioneer and discover.

## Implications for Training and Development

Members of the training and development community faced with a request to change a corporate culture need to be aware of both the challenges involved and the availability of an affordable way of altering behaviours and building a high performance organisation that can be adopted without tampering with existing cultures, where the latter is defined in terms of the attitudes, beliefs and values of those concerned (Coulson-Thomas, 2014a, b, c & d; Pettigrew, 1990). The evidence of the five-year investigation suggests a cautious, questioning and sceptical stance be adopted.

If culture is defined in terms of how people behave then changes can be introduced by performance support and other means, for example by altering a commission or pay plan, although while the human resources (HR) community attaches importance to them, as we will see in a moment some reward and remuneration policies may be doing more harm than good (Coulson-Thomas, 2014e). However, if culture is seen in terms of people's attitudes, beliefs and values any suggestion of changing them should be challenged for various reasons, including desirability, practicality, cost, affordability and time-scale. Some assumptions, attitudes, values and beliefs such as religious, political or philosophical views may be deeply held. Attempts to change them may trigger resentment and resistance. Diversity also has its advantages in many contexts.

To a libertarian attempts to change attitudes, beliefs and values might be as unwelcome as the efforts of totalitarian regimes to change their population's beliefs and how they think. One response to a desire or request for culture change could be questions such as change to what culture or to whose culture? Will the attitudes, beliefs and values of a CEO, board or consultant hired to advise on culture change be better or worse, or more or less relevant and/or appropriate to the situation and context than the mix of attitudes, beliefs and values found in the people of an organisation? Top-down approaches can lead to unwelcome consequences, like the practices encouraged in certain financial institutions (Moxey & Berendt, 2008).

Training and development should be about performance outcomes rather than learning activities (Fuller, 2010). Encouragingly, performance support can directly impact upon productivity and work-group achievements as well as simultaneously delivering other outcomes that are beneficial for both people and organisations, and it has certain advantages over traditional learning, coaching, mentoring and e-learning (Coulson-Thomas, 2012a & b, 2013). Its use also has implications for various HR policies and practices.

Putting the focus upon performance support and helping key work-groups has multiple advantages. Where many would benefit from traditional mentoring (Clutterbuck, 2004) which is difficult to organise and costly on a one-to-one basis, it can provide situation specific and relevant help and support 24/7 whenever and

wherever required - including while on the move. When done the right way people learn with each use and challenge they face, becoming more competent and confident by the day. Incorporating social networking can increase the speed of informed responses and work with the grain in relation to members of generation Z.

## Implications for HR Policies and Practices

Boards as well as individual HR practitioners need to question whether they are helping or hindering. Findings from investigations of what high performers do differently reveal large and measurable differences in performance among people trained, rewarded and compensated the same way (Coulson-Thomas, 2007, 2014e). The variability of performance across members of key work-groups raises questions concerning the relevance and contribution of many training, reward and other HR policies and practices. Wide differences in performance are explained by how many critical success factors are in place (e.g. Coulson-Thomas et al, 2003). The extent to which the job, task or activity is done in a winning or losing way determines outcomes.

Neither is training, reward or compensation a differentiator in the many sectors in which the policies and practices of competing companies seem largely the same. For key jobs such as bidding for business, building key account relationships, pricing, purchasing, or creating and/or exploiting know-how the approaches of winners - or those in the top quartile of achievement - are very different from those of losers in the bottom quartile of achievement, and evidence from reports that have examined critical success factors for key jobs suggests that however much people are paid, whatever their culture and however motivated and engaged they are, if they approach a task or activity in a losing way they are likely to fail (Coulson-Thomas, 2007, 2012a & b, 2013). Increasing motivation or remuneration in the hope of a better result while people's approaches and the support they receive remains unchanged could be like pouring money down a drain.

Reward and compensation policies and practices also contribute to mis-selling and other abuses. The prospect of commission payments can bias views, distort judgements, encourage risky behaviour and result in a flouting of rules. There are other expensive practices and naïve behaviours, such as a policy of paying above average or in the top quartile to attract better people and then complaining about the cost of talent wars. Reward, compensation and other policies that companies pursue may have much less impact than those who champion them and/or have a vested interest in them claim. Too many companies are pursuing policies that are general, time consuming and disruptive when quicker, cheaper and more affordable options exist.

Many talent and knowledge management programmes are not affordable. In uncertain times companies are paying a premium to bring in potential high fliers they may not need (Coulson-Thomas, 2012a & 2013). The people recruited may be difficult to manage and costly to induct, train and retain. They may know about things rather than how best to do key jobs, and their special treatment may annoy others.

In relation to training, reward and other HR policies and practices a ratchet effect may be in operation. The wrong policies may have a negative impact on behaviour, while many expensive approaches deliver little in the way of positive benefits in relation to other and better ways of improving performance. Too often those in roles that are neither visible nor a source of competitive advantage or differentiation benefit the most from general remuneration policies. Those intent on making a difference should put less priority on general corporate policies and focus more upon supporting key work-groups (Coulson-Thomas, 2012a & b, 2013).

## Further Information

*Transforming Knowledge Management, Talent Management 2 and Transforming Public Services* by Colin Coulson-Thomas which summarise the findings of a five-year investigation into the most cost-effective route to high performance organisations are published by Policy Publications and can be obtained from [www.policypublications.com](http://www.policypublications.com)

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**\*Author**

Prof. Colin Coulson-Thomas has helped companies and public and professional bodies in over 40 countries to harness more of the potential of directors, boards, management teams and organisations in order to improve performance and simultaneously deliver multiple objectives. He is a member of the business school team at the University of Greenwich and Director-General, IOD India, UK and Europe Operations, holds a portfolio of board, public and academic appointments in the UK and India, and leads the International Governance Initiative of the Order of St Lazarus. Author of over 40 books and reports he has held professorial appointments in Europe, North and South America, the Middle East, India and China. Colin is also a member of the General Osteopathic Council and chair of the council's Education and Registration Standards Committee and chair of the Audit and Risk Committee of United Learning which is the UK's largest operator of academies and independent schools. He was educated at the London School of Economics, the London Business School, UNISA and the Universities of Aston, Chicago and Southern California. A fellow of seven chartered bodies he secured first place prizes in the final examinations of three professions. He can be contacted at [colin@coulson-thomas.com](mailto:colin@coulson-thomas.com). His latest books and reports are available from [www.policypublications.com](http://www.policypublications.com).