'New Leadership' and Building an Intrapreneurship Culture*

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Business leaders confront a variety of difficult tasks, including how best to address governance and sustainability issues and better implement strategies, manage risks and ensure control. OECD is reviewing its Principles of Corporate Governance to ensure their continuing relevance and usefulness in the light of recent developments. ACCA is engaged on international consultations on how governance might add more value and how best to channel corporate behaviour. What questions should directors and boards be asking in relation to corporate culture and conduct and the support of intrapreneurship?

Many boards face the dual challenge of preventing malpractice and inappropriate behaviour and encouraging and enabling responses that achieve corporate objectives. Boards of companies need to secure competitive advantage for their companies as well as ensuring compliance (Charan, 2005). Ideal approaches are those that can simultaneously achieve multiple desired outcomes. These could include innovation and enterprise.

The South African King lll Report (2009) stresses the importance of ethical conduct and the responsibility of boards for ensuring the values and conduct they espouse are adhered to across corporate organisations. Is there a cost-effective way of preventing unacceptable conduct and ensuring effective, ethical and sustainable decisions and actions, particularly in areas of high risk and where the impacts of appropriate and inappropriate behaviour can be significant?

Many boards aspire to build high performance and entrepreneurial organisations. Howard Oden (1997) has linked innovation and intrapreneurship to the management of corporate culture. New products and novel outputs are often the consequence of relevant and effective behaviours? When calls are made for an enterprising or entrepreneurial culture, is the requirement actually for a change of behaviour? Leading change can be both an important area of study and a key requirement when CEOs are selected (Kotter, 1995).

Judging by the number of culture change and/or management of change programmes that are under-way it would appear that many boards are seeking to change behaviours within organisations for which they are responsible. The drivers of these initiatives extend beyond innovation and intrapreneurship. They include traditional concerns such as improving performance and preventing favouritism, corruption and the abuse of power and a desire to avoid a repeat of behaviours that have led in recent years to governance failures, financial bail-outs and compensation payments for mis-selling.

It is over twenty years since early study of the management of corporate culture (Baker, 1980), and a desire to change corporate cultures and the 'management of change' have become lucrative fields of practice for management consultants. Corporate culture has been related to performance (Kotter & Heskett, 1992). Culture is now also sometimes viewed as a core component of leadership (Block, 2003) and as a source of concerns such as sustainability (Probst & Raisch, 2005).

While a desire to change behaviours might be understandable in the light of recent experience why is there so much emphasis upon changing corporate cultures? Are such changes possible and desirable? Is a change of culture always needed in order to change behaviours and be more entrepreneurial? In answering these questions we will draw upon key findings of a five-year investigation into more cost-effective, quicker and less disruptive routes to high performance organisations that has already resulted in reports on change, talent and knowledge management (Coulson-Thomas, 2012 a & b, 2013).

Differing Views of 'Culture'

The significance of culture change depends upon ones definition and view of culture. One regularly encounters people who describe corporate culture in terms of "the way we do things around here." Others see behaviours as but one manifestation of culture which itself - and in varying degrees - might reflect aspects of peoples' social, economic, ethnic, national, religious, educational, family and historical background and

experience. Such diverse, and at times deep, roots might influence aspirations, assumptions, expectations, pre-dispositions and views as well as behaviours.

Edgar Schein (1989) identified various elements of culture which he categorised in terms of artefacts, values and basic assumptions. While influencing certain behaviours, many of these elements may not need to be altered in order to change an approach to particular jobs, which raises the possibility of changing conduct independently of culture (Coulson-Thomas, 2012 a & b, 2013).

Elliot Jacques (1951) adopted a pragmatic view of organizational culture and defined culture in terms of a "customary and traditional way of thinking and of doing things". Changing an entrenched way of thinking and behaviour in general might be regarded as a significant challenge. However, what if one focused upon how best to undertake particular jobs or tasks such as innovation that many people find difficult? Would they willingly adopt a quicker, easier and more rewarding way of doing them?

The findings of the five-year investigation led by the author suggest that some aspects of a deep-rooted culture and associated and sincerely held beliefs may be very difficult to change, if not impossible within an available time-scale. In comparison, certain changes of behaviour can be quickly and relatively easily achieved. Those who devise incentive plans and fail to think through their consequences may sometimes regret that changes of behaviour can be rapidly accomplished.

The results of the investigation suggest the contemporary focus upon 'culture', and creating or changing corporate values and cultures, should be questioned by those who favour evidence-based approaches, and might be difficult to justify in terms of the results obtained (Coulson-Thomas, 2012 a & b, 2013). Achieving a change of values and cultures is often problematic, and may not be needed if pursued as a means to an end, the objective being to achieve a change of behaviour.

Handling Cultural Diversity

Organisations today may serve customers, buy from suppliers, recruit staff and engage with other stakeholders from a wide range of cultures. The cultural mix can vary by area and location and might change over time. Certain cultures may expect and even demand responses that are quite different from those sought by others. Staff in one function or business unit may need to behave differently from colleagues working in other areas. A culture that is suitable for one group and the relationships it needs to build might not be appropriate for another. Also diversity might be a stimulus to creativity.

Population movements can increase the diversity of a labour force. Mergers, acquisitions and international expansion can increase the range of national and other cultures to be found in an organisation (Markus & Kitayama, 1991). Various micro-cultures may exist in larger organisations. Could their differences be addressed by a job, task or work-group focused approach. Executives sometimes play up the challenge of managing across borders to inflate their grades and salaries, but studies of critical success factors have shown that the best way of undertaking particular jobs is often very similar in different contexts and cultures (Coulson-Thomas, 2007, 2012 a & b, 2013).

Preferences, aspirations and values can also vary within and across different groups. Exercises to define common, universal, human or corporate values often result in statements pitched at such a high level of generalization as to make them of limited value when navigating the nuances and expectations of a particular situation. One wonders why so much attention is paid to cultures and values when the priority is often to quickly achieve some form of behaviour change. Is it because people persist in thinking sustainable behaviour change is difficult to achieve?

Challenging Culture Change Assumptions

The evidence suggests that many boards need to challenge assumptions that cultures and values need to be changed (Coulson-Thomas, 2012 a, 2013). The case for effective teamwork is not new (Adair, 1986), but is a common culture across diverse activities necessary and desirable? Might a commitment to building a common culture and entrench a particular set of values result in the marginalisation or exclusion of certain groups and communities? Might more diversity lead to questioning and greater creativity? Could a drive for

unity lead to group-think (Janis, 1972)?

Far too much effort may be devoted to expensive, protracted and at times disruptive initiatives to change corporate cultures and structures that deliver very little in terms of tangible results, when far more cost-effective options are available (Coulson-Thomas, 2012 a & b, 2013). Should the aim be to ensure people behave appropriately and excel at responding to requirements, wherever they are, whenever they encounter challenges and opportunities, and whatever their cultures and values?

Achieving what is required is often a question of providing better and more appropriate support that helps people to understand and do what is expected of them. There is evidence that people who are better informed, trained and prepared are likely to perform better in ways that impact upon the customers and other people they serve (Kling, 1995). As well as understanding what needs to change and why, and what they can do to help to bring it about, people may also need to be properly equipped and enabled to do what is required in an effective and compliant way.

People also need to remain current and vital. In diverse, uncertain and insecure but exciting, competitive and rapidly evolving business environments in which future developments and possibilities are not always easy to foresee setting out to create a community of cultural clones may be both dangerous and risky. It might also be unnecessary when cost-effective means exist of providing 24/7 support that can change approaches, ensure compliance and enable responsible and sustainable responses as and when required (Coulson-Thomas, 2012 a & b, 2013).

The need for flexibility is increasingly important. Schein (1991) defined culture "as a pattern of basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". The best way of undertaking a particular task can vary as circumstances, requirements and priorities evolve and new problems arise. Performance support that can be quickly updated and is available on mobile devices can enable rapid adaptation.

Quickly Changing Behaviour

There are various ways of changing behaviours irrespective of corporate culture. Incentives such as sales commission can change the behaviour of a sales force over night when payments for orders of certain offerings are increased and those for other products and services are reduced. Another option is performance support which can be employed in a wide range of situations and contexts. The recent five-year investigation reveals that in various forms from paper check-lists to mobile device applications it offers a cost-effective route to high-performance organisations and the simultaneous achievement of multiple objectives (Coulson-Thomas, 2007, 2012a & b, 2013).

The power of incentives to change behaviours can be dangerous when driven by greed and an excessive focus upon short-term organisational needs or when they lead to conduct that is contrary to that sought by regulators (Moxey & Berendt, 2008). A heavy focus upon organisational targets can lead to the interests of customers and other stakeholders being short changed. In the run up to the 2008 financial crisis certain bank boards should have been more vigilant in regard to the use of incentives and targets. The effective chairmanship of boards is a vital requirement (Cadbury, 1990).

In comparison, performance support can allow a wider range of interests to be accommodated and can embrace checks and balances to ensure compliance. A focus upon helping and supporting is conducive of greater customer focus. Conversations with developers, adopters and users suggest that the use of performance support can lead to a reduced need for incentives and targets. It can also result in a greater alignment of interests. Individuals in front-line roles can grow in confidence and competence while delivering greater value to customers, clients and the public.

Performance support can 'work with the grain'. It aims to make it easier for people to behave in desired ways and more difficult for them to undertake courses of action that could lead to financial, quality, regulatory, relational or other problems. The support provided can be designed to increase understanding with each use,

capture and share how the most effective people undertake certain tasks, and make it easier for people to do difficult and stressful jobs (Coulson-Thomas, 2007, 2012 a&b, 2013). Help can be provided wherever and whenever needed, including when on the move.

Providing better support is in line with Skinner's (1951) classic early experiments on reinforcing positive behaviours and reducing negative ones. The rewards come in the form of enhanced understanding, better results, improved relationships and the easier and less stressful accomplishment of difficult tasks. People adopt it because it benefits them, their employers and those they are endeavouring to help, whether customers, clients or members of the public.

Delivery could be by means of simple prompts, telephone, internet, mobile device or social networking. Users can be enabled to access support that is relevant to particular issues or situations as they unfold and arise. In effect, each user can receive personalised support appropriate to their requirements and directed to where further guidance can be obtained when they reach the limit of what is available. By capturing and sharing superior approaches average performers can be enabled to emulate the approaches of superstars when tackling challenges and seizing opportunities.

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, 2012). 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 support 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.

Entrepreneurial Leadership

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 bespoking 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 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 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 and new product and new venture teams.

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.

'New Leadership' and Intrapreneurship

In summary, many general corporate culture change programmes 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 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.

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.

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

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