Team building and culture change: Well-trained and committed teams can successfully roll out culture change programmes

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KEYWORDS: buy-in, measurement of change, desired states, coaching, effectiveness, team building

ABSTRACT Many corporations set out on a journey — of organisational change — without checking what the start point is or what their destination will be. To them, change is a leap of faith — an assumption that it will happen. This is a naive view, seriously so where mergers and acquisitions are concerned. Various measurements should be made before, during and after change. Change may have to be implemented in order to close organisational culture gaps. Change is best effected through teams, and these will have to be developed for the job in hand. With mergers and acquisitions, team building should ideally start at board level. In addition, managers will need to be trained to help teams to cascade change initiatives through the organisation. Many managers will not have been trained to manage change. Even virtual teams can help drive change as part of the new corporate journey. These teams, alongside traditional teams, will require goals to be set and adhered to, and the goals should tie-in with the new corporate goal/vision.

Carried out in the isolation of corporate culture and business objectives, team building is an interesting but almost sidelined exercise. I say ‘almost’, because one cannot deny that teams in general need to improve their performance, so it could be argued that any betterment is better than none.

The flip side of this is that, if corporate culture needs to change, good teams can play a vital role to drive that change. In today’s corporate environment, where enterprises can be ‘extended’ into partnerships and different channels to market — and where teams are beginning to become more ‘virtual’ — these arguments come more into focus. How can teams, including virtual teams (where the members may rarely if ever meet) help drive change in an environment where ‘old’ patterns of doing business are less discernible?
Where mergers and acquisitions are concerned, the need for quality teams is even more desirable, for it is they who can help to bring potentially colliding cultures together and forge a new direction for the organisation. They can cascade learning, knowledge and the new desired culture through the organisation ... provided they have been equipped to do so.

GETTING BUY-IN FROM THE BOARD

Team building should begin at board level before mergers and acquisitions. By getting itself involved, the board will have buy-in to what is required to make the new organisation as effective as possible. Therein lies one small problem, however: boards are not uniform in how they do things and how they present themselves to the rest of an organisation. They may (and quite often do) view themselves as mini fiefdoms, run by barons for their own interest, pleasure and/or financial reward.

While this may help an organisation if the right sort of baron rules the roost, it can cause uproar in merged enterprises. Grudges can inspire a negative culture to take hold, with the result that many mergers and acquisitions fail in one way or another. There are exceptions, but these are where the board is forward looking and focused on really making the merger work and driving the organisation towards agreed goals.

Acquisitions and mergers make it highly likely that two different cultures will collide if they are not handled appropriately. At the least, someone should do a check on the existing cultures to see whether there is a fit with the new culture that the board should be aspiring to. Sometimes the new culture comes from the acquiring company, sometimes from the acquired. It may be a new creation, based on instruction from the board, or a set of values developed through discussion with staff.

Whatever happens, those in charge ought to have some idea that change is required and that there will be a need to measure change if there is to be control over it. Change is like a journey; if there is no/inadequate/wrong control over it, it is very likely to end up at the wrong destination.

MEASURING AND IMPLEMENTING CHANGE

Friend: Where are you going?
Motorist: Somewhere better than here.
Friend: How will you get there?
Motorist: No problem. I'll just get onto the motorway and the rest is easy.
Friend: How will you know when you've arrived?
Motorist: I will — things will be better.
Friend: Where are you starting from — here?
Motorist: Of course!

Unfortunately, many organisational changes are often embarked upon with about as much clarity of purpose as is expressed in the conversation above.

Tuisms such as ‘change is the only constant’ abound in today’s organisational vocabulary. This often means that all kinds of initiatives are being taken, perhaps with little coordination and frequently without clarity around the consequences of one initiative on other initiatives, or the consequences for employees, or the consequences for organisational performance overall.

For example, information technology, systems changes, etc. have been heralded as the answer to many woes and have been used, especially in the financial services industry, as the means of affecting significant change. This is equivalent to the ‘motorway’ in the conversation above, but probably only
concentrates on part of the journey. Other parts of the journey may have been ignored, assumed or overlooked.

If we think about change as a journey, it will therefore demand that we are clear about the end point (destination) we need to achieve so that

1. We will know when we have arrived — achieved success.
2. We can plot a realistic route map to the goal.
3. We know what signposts to look for en route.

Journeys also demand that we know the start point. In many cases, people assume that organisations know the start point is known and that everyone (the whole organisation) is starting from the same point. This is an extremely naïve viewpoint, especially where two bolted-on organisations are concerned. In most change situations, including mergers, it is almost certain that senior managers will be starting at a different point from less senior staff.

Some groups, departments or functions will start from different places, and, depending on the nature of the change programme, will have an easier or more difficult journey. This is particularly true in the case of mergers and acquisitions which have been and will almost certainly continue to be a feature of financial services for the foreseeable future. When customers change their expectations about the nature of customer service, when competitors attempt a new strategy to give them a competitive edge, some groups will be affected more than others.

HOW TO MAKE CHANGE SUCCEED

Although most organisations have attempted some kind of significant change programme in the recent past, many have been little more than acts of faith. According to recent surveys, less than 10 per cent of UK organisations have made any attempt to quantify any aspect of their change programme. A separate survey also suggested that 75 per cent of organisational change programmes fail — they do not achieve what they set out to achieve. You should ask, is there any connection between these findings?

It does not need to be that way. First, any change initiative has to fit clearly with the organisation’s mission, vision and strategy, and the link between them needs to be clear. The organisation needs to know what any change programme is going to deliver. This probably would start off as a series of qualitative descriptions of goals, end-results required, desired etc.

These, however, can then be translated into a series of quantifiable ‘Desired States’ using a diagnostic and measurement tool such as Verax’s ‘Organisational Transitions Inventory’ (OTI).

Using the same instrument to measure the ‘Actual State’ clearly shows the start point of the journey, and the different start points for the various sub-groups in the organisation. The gap analysis (between Desired and Actual) starts to build the journey, ie what needs to be done and how it should be done to bridge the gap — in terms that make sense to everyone irrespective of where they are in the organisation.

So now we have a quantifiable way of defining the destination and start points (rather like a map reference). We have also planned a route from one to the other. If we stick to the route, change plans, whether they be about new systems, about leadership, organisational restructures or strategies, should all give off consistent messages and be properly coordinated.
The same measurement tool (ie OTI) can be used at interim stages to check on progress — to make sure the journey is still on course. It will show how far the organisation has come, ie the extent and direction of changes made. It provides an opportunity to fine-tune any plans that may have taken us off course, and to reinforce those that are going in the right direction.

So change no longer has to be haphazard, nor does it need be an act of faith. Measurement tools not only help get commitment to change but help spell out in easily understood terms what the goal is and what change each group and individual will need to make in terms they can understand. Showing graphically the start and end points as well as charting progress makes an abstract process more concrete through the visual as well as verbal communication media. Tracking progress helps success breed success. It means that change can really be managed — after all, you cannot manage what you cannot measure.

WHERE TEAMS — AND TEAM BUILDING — CAN HELP

Most managers have not been trained to manage change. But approaches like ‘Performance Coaching’ will help. Getting managers up to speed as coaches will help the change to be implemented through a sense of commitment rather than coercion.

Managers cannot act in isolation, however. They need people to help them, and this is where best practice teams can help. Trained to compare well against established best practices, these teams can roll out culture change programmes through every level of an organisation — provided their goals are clear and they measure the ‘journey’.

TEAM MEASUREMENT AND TEAM BUILDING

With today’s enterprises increasingly focusing on making themselves more dynamic and effective (regardless of whether they have merged or de-merged), and with the growth of more disparate organisations, the need to have some form of control over teams, especially virtual teams — and the ability to ‘build’ them — is paramount.

Developments in IT have enabled what we might call ‘virtual teams’ — whose members in some cases may never meet — to work on an increasing range of important projects. Some large organisations now realise that even they cannot have all the best resources in-house, or just want to buy it in for special projects. They rely on external individuals, who often work in isolation from each other and from the internal ‘team mates’. The various members of the virtual team may rarely meet but they can get things done very time and cost effectively.

Many of the problems faced by virtual teams are no different from those faced by ‘ordinary’ teams. They have to produce high-quality results and outcomes — and at the same time ensure the commitment of the team members to those outcomes. A significant body of research suggests that teams can have high- or low-quality decision-making abilities, but that these abilities bear no relationship to the quality of the team commitment.

Therefore, the effectiveness of those teams will be determined by how good the processes are for creating a good-quality technical solution or high-quality commitment (or both). The effectiveness of the individuals in how well they work together can also be measured, pointing the way to how team spirit can be improved, if it needs to be.

A formula developed by Norman
Maier\(^1\) is based on the concept that an Effective Decision is a function of the Quality of Analysis \(\times\) the Quality of the Commitment, expressed thus:

\[
ED = (QA \times QC)
\]

He argued that QA is dependent on
- information (facts/assumptions)
- quality of judgements
- quality of rational analysis
and that QC is based on
- clarity of understanding
- quality of involvement (i.e., what the individual does)
- quality of participation (i.e., how the team requires its members to get involved, e.g., some members may be ‘frozen out’ of some activities on personal or ‘political’ grounds, or, alternatively, included on grounds of favouritism).

In virtual teams, Quality of Analysis may not be too much of a problem. The teams can use their own brains and various technical processes for producing a good quality decision or outcome. The real problem comes with Quality of Commitment. Why? Although team members will typically communicate via e-mail — and even chat rooms — the electronic medium fundamentally reduces the content of communication by 75 per cent.

Quality of Commitment has traditionally been reliant on interaction via body language, body posture, eye contact and ‘chemistry’. Chemistry is an interesting one, based as it is on some undefinable ‘hunch’, ‘feeling’ or intuitive sense. Communication by human interaction is not going to change overnight. If a team cannot physically meet, the answer will at some stage be physically to supplement e-mail and ‘chat rooms’ with videoconferencing and/or videophones.

Research shows us that 10 per cent of communication messages is in the words and 35 per cent in the tone of voice, with the balance in non-verbal elements. If teams are using electronic methodologies for inter-team communication, all they have to go on is the word element of the messages. This will change with the adoption of videoconferencing and videophone, but even then a lot of the body language messages will be lost.

One issue for managers of teams — virtual or otherwise — is how do they monitor the ‘health’ of the team in order to maximise its potential and improve team spirit, where improvement looks necessary? For the ‘customer’, one key issue is: ‘If I do not know whether the team is effective, how can I have 100 per cent confidence in what it produces’? Two other main issues are ‘How risky are the decisions that the team might make?’ and ‘What are the risks inherent in a virtual team?’

First, measuring effectiveness of the team: TEIOP (Team effectiveness inventory overview report) is an new automated measurement tool from Verax that provides a means of monitoring the activities of a team via desktop or portable PCs (see Figure 1). It will provide feedback to the team, e.g., on how well the team manages various processes. It will measure
- communications within the team and between the team and other groups
- decision making
- vision, goals and direction
- leadership
- resource management.

In addition, TEIOP will measure team climate, team member effectiveness and
relationships with other teams. After analysis, a report will clearly show what is currently working well within the team, the extent to which there is common understanding of the team’s purpose and common goals — and what needs changing to achieve improved levels of effectiveness and results. Re-measures, typically a few weeks after the initial measure, will quantify the amount of change the team has accomplished between the first and second measure (and any subsequent measures). Typically, more than 60 per cent of teams show significant improvements between the first and second measures.

Secondly, the risks: Having a virtual team can produce benefits, but its members will be working in isolation and will therefore suffer from the setbacks that a depleted communications process can produce — unless steps are taken to replenish that process.

Team members will not be able to listen to the tone of voice of a
colleague in a face-to-face meeting, and this may lead to misunderstandings and problems.

Each member of the team should be taught to be proactive in communicating with the others — and maybe nudged to be so in an e-mail newsletter, or he/she will typically forget about it.

The manager should make a judgement on whether or not enough time and effort has been allocated for clarifying the goals and the purpose of the team and project. Time should also be spent at the completion of a project, thanking the team and telling its members how successful the project has been — and how each member has positively contributed to the team's success. Without that, the individuals could be left with a feeling of disappointment or lack of completion, and nagging doubts. There may then be resistance to joining another team, or the same team again.

Thought should also be given to team style, as this, too, can reduce risks. Teams which prefer to work at the ‘slow’ end of the diagram (see Figure 2) take their time to deal with the fine detail, the nitty gritty, of a project. They can get so bogged down in detail that they do not like to make decisions. They become risk averse and very conservative. The project may well over-run on time (and budget), unless the team style has been factored in, but should be ‘error free’.

Teams at the ‘fast’ end prefer to work quickly and communicate in bullet points. They tend to be much more entrepreneurial, are prepared to take risks: It can, however, be difficult to know whether their decision-making processes are calculated or foolhardy. TEIOP will show you which!

Measurements can also be made of the team from outside, ie by other teams; these can measure the same processes but as observed by others, to give a more objective view of what is going on. Such a view is vital for integrating teams into organisational processes, ensuring as much as possible that there is no ambiguity or conflict between teams which are interdependent in achieving their own and organisational goals.

This is crucial for inter-team building and realising improvements in profitability and overall effectiveness in the organisation. Measurement can also assist with helping new teams to ‘bed down’ more quickly and make a telling contribution earlier in the cycle, as well as ensuring the organisation can reach its own goals on time.
Until now, virtual teams did not have a methodology for measuring team effectiveness. On the other hand, until now, virtual teams played only a minor role in many organisations; this is changing and is set to change further as business models and ‘different ways of working’ evolve.

Business models will become increasingly reliant on virtual teams producing optimum results — with minimal risk to the organisation. These teams must be carefully selected for their risk characteristics and measured during the project, to ensure targets are met. Good communication channels should be put in place to further reduce threats posed by new ways of working.

Teams, even those with some virtual members, can be relied on to help change an organisation’s culture. With the advent of fast-track measurement and improved means of communication to the teams’ audience, change can be methodically cascaded down through an organisation very time effectively.

Organisations — and teams — comprise, people and cultures as well as knowledge. These can all be made to ‘gel’ effectively, but it does require planning and effort, and commitment from the top down. Change may be a reliable constant, but it is also a challenge that needs to be met with the best tools to hand: Good managers and teams, who will have to rely on a sense of direction from the board.

APPENDIX

About Verax

Verax has been a specialist in organisational change management and measurement — and team building and measurement — for more than 20 years, with two focuses: (i) enabling organisations to gain competitive advantage through change and development; (ii) measuring the effectiveness of those processes.

The company’s measurement processes include some of the best-researched materials for diagnosing, measuring and managing change. These help to ‘make sense’ of research findings and to measure the effectiveness of behaviour changes — hence the emphasis placed on them in many change programmes. The measurement processes are also used in 360 degree feedback analysis. Like organisations, teams often need to evolve and improve, and measurement tools can help them to do this.

Verax has a strong customer base in the UK among industrial, service, communications and consumer marketing companies, government organisations (including police authorities) and major consulting firms — and, globally, through its international affiliates.

Verax’s management and organisational measurement tools are used by major business schools and many management consultancies.

About Team Effectiveness Inventory

This tool measures the effectiveness levels of key team processes, including:

- Communications; decision-making;
- Vision, goals and direction; leadership;
- and resource management. It can also be used to measure team ‘climate’, individual team member effectiveness and relationships with other teams.

More broadly, the inventory will also

NOTE

1. Norman Maier was an American psychologist who specialised in researching team effectiveness and team decision making. More information from: Keith Bedingham, Verax. Tel 01252 849300; e-mail: info@verax.co.uk
### Team Effectiveness Report

#### Decision-Making

**Team/Team Leader: Sample Report**  
**N=10**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Important to change</th>
<th>Team Score</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calculated risk taking is encouraged in decision making.</td>
<td>No</td>
<td>4.10</td>
<td>1.14</td>
</tr>
<tr>
<td>Decision making reinforces the strategic goals.</td>
<td>No</td>
<td>3.40</td>
<td>0.66</td>
</tr>
<tr>
<td>Decisions are made on the basis of good judgement and not on the basis of 'politics' or subjectivities.</td>
<td>No</td>
<td>3.60</td>
<td>0.49</td>
</tr>
<tr>
<td>This team uses time effectively in decision-making.</td>
<td>No</td>
<td>3.20</td>
<td>0.60</td>
</tr>
<tr>
<td>Innovation and creativity is encouraged in decision making.</td>
<td>No</td>
<td>2.60</td>
<td>0.66</td>
</tr>
</tbody>
</table>

How often is it true?

Legend: [Graphic representation of frequency scale]

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show what is currently working well, the extent to which there is common understanding of the team’s purpose and goals — and what needs changing to achieve improved levels of effectiveness and results.

Additionally, this tool can be used for measuring how well individuals in ‘virtual teams’ work together — and what is wrong and what needs to be put right — and how effective is the team as a whole.