

# The Role of Cultural Transformation in Telco Strategy

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**Abstract**—This paper describes the complex nature of organizational culture and its role in telecom organizations. To set the stage for culture change, the literature is reviewed for perspective on the role and function of culture in organizations. Organizational theorists as well as business consultants report that a strong organizational culture is essential for success because the shared assumptions, values and culture of an organization influence the behavior of its individual members.

**Keywords**—Component, Telecommunication, Management, Cultural, Transformation.

## I. INTRODUCTION

THE concept of organizational culture might best be described as the collective personality of an organization. It is a complex tapestry woven from the assumptions, attitudes, values, beliefs, collective memories and customs of an organization. It is upon these learned, shared assumptions that individuals base the daily behaviors that become habitual, patterned and integrated. Often unconscious shared assumptions and behaviors also reflect the organization's efforts to survive pressures exerted by the external environment, thereby defining reality and influencing culture [1]. Reinforced over time, the collective unconscious manifests itself as "the way we do things around here," and organizational identity is both created and reinforced. A more contemporary definition of organizational culture would include values, leadership style, language and symbols, procedures and norms, and the organization's unique definition of success.

The concept of managed cultural transformation attracted significant attention among organizational consulting and planned change scholars and practitioners during the 1980s. The onset of this wave was marked by the widespread popularity of books, such as *In Search of Excellence* [2]. Cameron's "competing values framework," based on four dominant culture types (i.e., clan, market, hierarchy, adhocracy), posited that culture can and does change. An assessment tool sought to determine if organizations had a predominant internal or external focus and if they valued flexibility and individuality or stability and control [3].

More recently, the model of high-reliability organizations has emerged from research based on evidence that some complex, interdependent organizations have fewer than normal accidents. Technology is acknowledged to influence outcomes, but not in isolation, nor absent a change in culture [4]. High-reliability organizations consist of a combination of organizational, managerial and adaptive characteristics. But

during the 1990s, the view that organizations possess a single integrated culture, which management can transform, was being debated by both research and practice. The literature also demonstrated how difficult it is to assess and change culture [5].

Transformation involves change; the process is fluid, often unpredictable. It requires commitment, time and flexibility. No two paths are identical. And while there are lessons to be shared and learned from those who have gone before, each organization must seek and discover its own path to meaning. The developer can serve to stimulate additional work on cultural transformation in the telecommunication organizations. When we are committed to improving the quality network of all telecom companies, we must have answer to some question such as:

- How does organizational culture affect satisfaction and outcomes for people that are served by the organization?
- How does organizational culture affect people who work within the organization?
- What are the primary elements and processes necessary to transform and telecom organizational culture?
- How can philanthropy influence cultural transformation in telecommunication organizations?

Some telecom companies are currently faced with a number of scenarios catalyzing the call for organizational culture change: unexpected, bad quality related to network performance; customer dissatisfaction with the operator experience; workforce problems including significant technical shortages and dissatisfaction with working conditions; and declining financial performance. The purpose of this paper is to:

- Establish the need for culture change in telecommunication organizations to achieve a distinctly different set of results to engage and satisfy customer, improve quality and secure workforce loyalty and vitality.
- Identify preliminary models of successful cultural transformation to stimulate innovative approaches and improve the overall performance of the telecommunication system.
- Reframe change as an opportunity for growth, engagement and meaning.

Although the literature reflects the challenges involved in assessing and changing culture, the operative question about organizational culture is its correlation to and impact on organizational performance and/or workforce vitality. What emerges is a growing realization that any significant organizational change must align not only systems and processes, but also the underlying organizational culture as well. Because organizational change is driven by its people, successful efforts in this area connect people to the meaning of

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their work. After examining other industry examples of distinctive, high-performing cultures and providing a brief context for the significant external changes that telecommunication organizations have recently faced, the paper focuses on the process of cultural transformation in telecommunication organizations.

Finally, we recommend strategies that you selective might pursue to support improvements to the organizational culture of hospitals, an area in which they have not yet done much work.

## II. ROLE OF ORGANIZATIONAL CULTURE

For organizational culture to change there must first be an awareness of the need for change. This need is often reflected by current normative behaviors and social structures. Whether the need for change is driven by survival or passion, a deeper knowledge of individuals' intentions and beliefs is essential. Sharing creates understanding and trust and identifies the common values that can serve as keystones for change. The destination or path an organization chooses is dependent on the reality of their current state.

In organizations where there is minimal alignment of shared values, control is frequently exercised through extensive procedures and bureaucracy reflecting a "weak" culture. However, when individuals respond to stimuli because of their personal alignment with organizational values or consciousness, regardless of the extent of external regulation, a "strong" culture is reported to exist. Actions are intuitively guided by the existence of a shared "cultural world space" [6].

Indeed, the operative question about organizational culture is its correlation to and impact on organizational performance and/or workforce vitality. Linkages between organizational culture and performance have been established, and in the business arena, evidence has confirmed that companies that emphasize key managerial components, such as customers, stakeholders, employees and leadership, outperform those that do not appreciate these interdependencies and their impact on culture [7], [8].

Culture is complex. One of the major reasons that organizational change efforts reportedly fail is a lack of understanding about culture and the significant role it plays. What has emerged is a growing realization that, despite the best-laid strategic and tactical plans, any significant organizational change must include not only changing structures and processes, but also addressing the underlying organizational culture. Appreciating the complexity of culture is particularly important when attempting to manage organization-wide change, because culture is multifaceted, deep, broad and stable. It provides tacit rules that guide behavior, meaning and predictability [1]. Culture, by definition, provides a framework to live in, to cultivate and to honor.

There are many organizations inside of telecommunication that exemplify distinctive organizational culture. Consider BT; each is known for creating, sustaining and constantly improving a service-oriented, innovative culture. BT doesn't just provide customer service; it creates experiences. The BT

approach combines common sense, strictly defined corporate values and nonstop attention to detail. What their formula? Hire for attitude, train for skill; design and reward a workforce culture aligned with a business model to bring customers into the market; make customer happy and create memorable experiences that will bring them back time and again.

## III. CULTURE TRANSFORMATION METHODOLOGY

### A. Culture Transformation (CT) Starting

The first stage is the point when one is given notice that everything is going to change, whether they know it or not. The methodology can be the result of desperation, accident or passion. Participants revealed a variety of conditions that motivated the need and laid the groundwork for change. Many reported a confluence of two to three factors that served as a catalyst for changing the culture of their organizations. They can be grouped in five broad categories: significant threat, external restructuring, new facilities/technology, passion to be better/the best and visionary leadership.

1. Significant Threat: Factors include financial crisis, economic viability, bankruptcy, massive debt, negative media, strength of competition, loss of market share, high turnover, staffing shortages, poor community perception, customer satisfaction, and union organizing.
2. External Restructuring: Factors include mergers, acquisitions, system creation or expansion, and divestiture from state government.
3. New Facilities or Technology: Factors include creating of new service that reflect customer needs and wants, movement of services to new location and implementing new information technologies that contribute to extra benefit.
4. Passion to be Better/the Best: Factors include opportunity for increased productivity and staff morale, improvement in quality or outcome measurements, recognition through competitive awards or credentials, demonstrable "customer" values or community integration, and developing exemplary models of customer care, professional telecom culture, or holistic or other new models of customer care.
5. Visionary Leadership: Factors include often new (recruited, promoted, interim), visionary, action-oriented risk takers and team builders skilled and experienced at creating and managing change.

Transformative change arising from desperation is by nature reactive, but can lead to a new and strong culture, if—once the short-term crisis is under control—positive lessons are internalized and sustained by articulating a long-term vision and meaningful shared values. Change arising from accidental opportunity is generally intuitive, aligned with goals and advantaged by flexibility. Change fueled by passion is described as proactive, insightful, deliberate and fully engaging at every level. Ample evidence to support and benchmark the need for change was readily available for all those who sought to find it, in the form of, for example, national benchmarks, staff and community surveys,

customer/staff/board satisfaction scores, human resource and productivity metrics, labor union relations, financial and economic metrics, and organizational assessment and readiness tools. Timing was situational: in some cases it was reported as essential; in others, the process evolved intentionally, but incrementally. Refusing “starting” is all too common; maintaining the status quo is comfortable. Answering “starting” is an act of courage whether the motivation is driven by passion or desperation, because once the “CT starting” is answered by leadership, the path is about to begin.

### 1. Role of Leadership

The “CT starting” that precedes cultural transformation is always a leadership opportunity. Every day, leaders are given opportunities to raise questions, seek out and resolve conflict, speak to a higher purpose and make a difference in the lives of the people who surround them. In a world characterized by uncertainty and vulnerability, leadership can be risky. In Leadership on the Line, we are warned, “To lead is to live dangerously because when leadership counts, when you lead people through difficult change, you challenge what people hold dear . . . habits, tools, loyalties, ways of thinking—with nothing more to offer perhaps than a possibility.” [9].

The organization’s top leadership initiated the change effort. In addition to being described as visionary, they are also described as demonstrating a willingness to “step out in front,” take risks or “take the bold step forward.” Embarking on a journey into the unknown requires a deep level of personal commitment. When leadership moves beyond personal achievement or advancement and seeks to improve peoples’ lives, it enters the realm of creating purpose and meaning. At the most intrinsic level, it means putting yourself and your ideas on the line [9].

One of the leader’s most significant roles is to create an environment in which others can take risks—to “hold the space,” invite people in and make transformation possible.

It is also clear that successful leadership is a team effort. Effective leaders make sure that the “right people” are on board. Leaders were regularly credited with creating broad understanding and alignment, and securing buy-in from the entire management team and key stakeholders. The expanded leadership “team” often included board members, telecom leaders and champions recruited by the leader from throughout the organization. Visionary leaders ensure that customer are part of the process—participating in planning, site visits, and other phases of this work. In today’s changing world, effective leaders use emotional intelligence to facilitate the team’s ability to work synergistically and productively [10]. With a cohesive team in place, the stage is set for the next step of the path.

### B. Choosing a Path

Organizations that made the decision to embark on cultural transformation journeys all stood on the threshold and chose a path into the unknown. Those with significant threats smartly seized the opportunity to pursue a path of change by building

on the confidence that accompanied successful results, laying the groundwork for culture change. Those with external restructuring activity, new facilities construction or new information technology wisely used the opportunity to leverage a cultural transition by including all stakeholders in the design and implementation process. However, those whose primary motivation for change was driven by a passion for being better/the best have skillfully managed to translate that passion into a collective set of organizational values that consistently guide decision-making and behavior over the course of time.

For the organizations that have taken a long-term perspective on cultivating culture, choosing a path to the future (becoming better/the best) was generally based on a clearly-defined set of organizational values or a theoretical framework, such as an integrated customer centered model of partnership, a culture of quality (no preventable errors), Lean Thinking. The framework serves not only as pillars on which to build, but also as a touchstone or point of reference for implementing change and fostering innovation. The process used or created to move forward on the path, a number of steps emerged: assessing current reality, defining a desired state, guiding change and engaging the workforce.

The path is filled with trials and obstacles. These can be viewed as a series of tests, tasks, or ordeals that the organization must undergo in order to carry on. Failure of a task is not uncommon and may be considered a test of resolve or a learning experience. For each stage of the path, there is a corresponding pitfall. The pitfalls generally represent an attempt to accelerate the process by skipping or shortcutting required steps, or a failure to appreciate the length of time required for transformation [7].

A failure to remove obstacles was a commonly observed pitfall that included policies and procedures or leadership behaviors that was in congruent with the vision and values. Inability to address simple systems issues in a timely manner created frustration and bred negativity. These are also trust-breaking behaviors. Lack of readiness was illustrated by not having made a convincing case for change or not developing or communicating a clear and concise vision. Sometimes a state of readiness is assumed, but there is an inherent lack of understanding at a deeper level, of the potential for betrayal and lack of trust [11]. What surprised participants the most, and was perhaps the most common obstacle described, was peoples’ resistance to moving forward.

Change is situational. A structure is changed, new policies are introduced, a workforce enlarged or reduced, a strategy shifted or discarded. On that historical note, it is not surprising that many leaders fail to understand the important process of managing human resource [7].

Resistance to change is generally based on loss of identity, fear of the unknown or lack of trust. Habits, attitudes, assumptions and beliefs are components of identity, which are challenged when people are asked to change. Giving up the “way we always do things” is difficult for two reasons. First, because habitual behaviors and patterns are by nature predicable and offer stability and second, because imbedded in

the process of giving them up is the notion that one is being disloyal to a deep attachment—an underpinning of identity. Because change triggers a redefinition of identity, it also can raise questions about competence [9]. Resistance is a symptom of the underlying combination of fear, loss, disloyalty or challenge to competence. The remedy is to proactively and systematically build trust.

The Reinas' Transactional Trust model offers rich insight. Trust is a value that is often communicated in the abstract. It is emotionally provocative, highly complex and can mean different things to different people. When change is called for, the message that "what we are today is not good enough" is often internalized as a betrayal. This is particularly true in environments where patterns of communication, collaboration and involvement are ineffective. When people experience betrayal, their capacity for trust declines and they begin to lose a sense of self. Messages about change need to reach for the higher purpose of striving to be better. Resistance is often a reflection of lack of trust in the process or the fact that people don't yet trust themselves to move to the new territory. One organization found that staff resistance was minimized when patient and family advisors spoke from their hearts and opened a discussion about the need for change. Capacity to trust can be increased through understanding, clear expectations and goals, and building competency and confidence. Transactional trust is created incrementally by actions that enhance character, capability and ethical truth [11].

#### IV. CONCLUSION

In this paper we describe the complex nature of organizational culture and its role in telecom organizations. There is a respectful recognition that lasting change takes time. The participants in this project have demonstrated with conviction that culture is a determining factor in organizational performance and workforce vitality.

Culture is the underpinning that makes some telecom organizations exceptional. Clearly, much is known that can be shared immediately, and there is more that needs to be understood and discovered. The operative question is:

- What should the foundation do now to stimulate or support the process of cultural transformation in telecom organizations?
- What steps can be taken to stimulate customer-centered, quality-oriented transformation in other organizations?
- What leverage points offer the greatest opportunity for culture change?
- Are there resources or infrastructure that could facilitate culture change?

Therefore, we must have considered the following recommendations for success transformation:

1. Sponsor a telecommunication cultural transformation with existing customer and quality focused organizations involved in cultural transformation to leverage change, create a critical mass and consider joint ventures
- Explore common ground, efforts and short-term goals

- Share information on size of networks and annual meetings
  - Identify the gaps that need more attention or innovation
  - Brainstorm common long-term goals and opportunities to collaborate
2. Create a telecommunication culture collaborative of "most promising practices" to better understand the different approaches to transformation
    - Facilitate cross-talk and information sharing between promising practices
    - Fund continued development, efforts to sustain culture and next generation innovations in culture
  3. Showcase lessons from telecommunication culture promising practices (different models and approaches) to disseminate information to a wide audience and stimulate interest and adoption
    - Sponsor presentations at national conferences
    - Co-sponsor regional forums with regional and local foundations
    - Leverage articles in national journals
    - Create roadmaps: transition processes, tools used, life cycle stages
    - Post lessons, resources on the Internet
    - Create a resource network for information and innovation sharing
  4. Develop partnership programs with existing telecommunication leadership programs and fellowships across the country to provide curricula and projects that:
    - Examine and explore different approaches to culture change
    - Evaluate the impact of customer involvement on business outcomes, staff development, facility design.
  5. Sponsor planning grants to explore various organizational assessment and outcome measurement tools and the value of comparative measures as they relate to culture's impact:
    - Compare and test various organizational assessment and readiness tools in a cross section of organizations
    - Examine the impact of degree of staff participation and engagement on measurable outcomes and sustainability
    - Analyze multiple outcome measurements to correlate interdependencies and compare sustainable outcomes across organizations.

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