Preparing an Organizational Culture for Managing Complexity: Group Formation, the Role of Leadership, and Building Adaptive Capacity from Within

Jennifer L. Juchli

University of Alberta

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Abstract

Consistent with the findings of other information researchers, the root of project performance and information transmission issues is generally one based in culture. In this study, the following research question was asked in a focus group setting: How do leaders respond when asked about barriers to organizational transformation? Four senior leaders at ATB Financial (ATB) were led through moderated discussion to encourage a dialogue regarding their perceptions of the organization's current state and intended goals. The respondents identified four barriers to change in the organization's culture. On *leadership and rhetoric*, the study found that a key challenge for senior administrators is the gap between organizational bureaucracy and inertia and the vision to be inclusive and innovative. On *HOW work gets done*, respondents suggested that the process and form of organizational work is a key function of leadership, in the same way that the content and substance of organizational work requires leadership. Issues raised include accountability for work and decision making, and patterns of group think. The study found furthermore that *transformational change*, or a shift in the organization's identity and culture, is a common concern among senior leadership, as they have a key role in transformational change and creating an overall environment that has a better capacity for managing complexity. Finally, *on expertise*, the study found that senior leaders gave attention in their work to the problem of identifying experts and communities of expertise for solving organizational problems. Group formation and professional focus have a strong influence on productivity, particularly in discussing organizational agility, and also improving resiliency and holistic systems thinking.

Keywords: organizational culture, managing complexity, organizational transformation, systems thinking, business agility and resiliency

Preparing an Organizational Culture for Managing Complexity:

Group Formation, the Role of Leadership, and Building Adaptive Capacity from Within

"The eye sees what the mind is prepared to comprehend"

Henry Bergson

The goal of this study is to provide insight into managing complexity and organizational culture by leadership to support business planning, strategies, and performance. Many organizations utilize tactical interventions to improve productivity: new technology, different management systems, and different hierarchies are common examples. But what if the problem lies with the culture behind the systems? The background to this study is supported by the work of Currie and Kerrin (2004) examining the limits of a technological fix to knowledge management. Following their work to the work of Alvesson (2011), the goals of knowledge management are rooted in a struggle with ambiguity and rhetoric. From this launch point, the work of Schein (2004) in leadership and culture in organizational change, and McCann, Selsky, and Lee (2009) on creating a program to develop performance through better managing adaptive capacity.

Background

Banking is a highly structured, traditional and highly hierarchical industry. Many websites exist for people new to banking careers that explain this hierarchy, as it is quite particular to this industry – it has almost a "humblebrag" culture about the expectations and burnout within the industry – such sites as www.mergersandinquistions.com and www.efinancialcareers.com lay out the career progression and expectations quite starkly. It is an industry with very few outsiders in middle and upper levels of leadership. Each area of

banking has a perceived level of authority and prestige attached to it. According to Coates (2012) the highest status roles are according to status of clients and perceived levels of risk. Because of this, investment banking and corporate finances are the top areas, with private banking being a niche prestigious area, and retail banking – as it is a volume based area with low margins – can have the lowest status. The assumptions of hierarchy run very deep, and are built and reinforced down to the individual frontline operator within role classifications and availability for learning and training. The banking industry is changing quickly, though, as many are realizing that the stabilizing engine of their organization is the retail component.

Alberta Treasury Branches as an entity was originally created September 28, 1938 by the Government of Alberta. On October 8, 1997, ATB became a crown corporation owned by the Province of Alberta. As ATB became more corporate in style in the past decade in order to become more competitive, separate groups have been created segregated from the rest of the organization. Areas were created as semi-separate and completely separate companies and business areas within the organization in order to not only mitigate the risk of these "start-ups" and also to maintain their distance from the inertia of the main body of the organization. This has allowed for the specialization and focus needed to really understand their areas of the market, and gain significant traction in relatively short periods of time. It has also allowed these areas to operate outside the relatively unchanged bureaucratic expectations of the main body of the organization. All of this aligns with Schein's (2004) work on group formation, in order to initiate change quickly, it can be faster to segregate a business area under a new leader than try and build an entirely new culture from within a mature organization. The areas of business that have since done well on their own, are looking to improve the results for their

area and the organization as a whole, and attempting to re-integrate with all of their expectations and needs as developed but segregated lines, in balance with the legacy areas. While small, nimble and segregated areas of the organization were able to innovate and transform quickly, the expectation is that this can be replicated with different standards to a much larger area and functionally mature group has not been fully evaluated and understood. Key parts of the financial institution still culturally operate highly bureaucratically. This creates a significant barrier in driving projects and even changing policies and procedures to become more innovative and agile.

During ATB's Core banking system project, a 4 year project from 2008-2011 which took multiple legacy computer systems and consolidated and replaced most of these into one new system, most decision making and power was centralized, while segregated areas operated quietly under the radar. Now after the transition to the new system, the organization is transitioning to an era of decentralizing some power and decision making to drive efficiencies. This requires not only the negotiation of focus within the areas of business, but also creates significant anxiety in the enterprise area as this new world order seems very threatening. Significant territorialism in times of high change is a standard cultural protective mechanism, and can happen as groups cling to their former activities. To an outsider or even other internal groups, these activities can appear to be almost irrational, like they're working at cross purposes. After an intensive communications audit completed by the researcher at the end of 2012, it was revealed that there were important gaps in both leadership trust, and effective information management. ATB's employee engagement scores were the lowest they had ever been, and between system issues and information gaps frontline team members' productivity

was at a very low point. Work has been done to determine why and where the leadership trust

gaps came from, and a repair process has begun. In tandem, a staged approach to fixing the

information gaps was started, consolidating information into trusted sources. Since this

preliminary work was started, both engagement and productivity have not only bounced back,

but are stronger than they have ever been. The goal to be industry leading, however, means

that the organization needs to figure out the next steps in the transformational process in

order to evolve the organization more fully towards agility and resiliency.

    At any given point, there are over 300 projects in progress within the relevant business

area. Each project is focused either on the strategic direction of the organization, or tactical

fixes, resources, products, or services. As these projects are executed, very few of them ever

have the intended impact. The question is quietly present – why the gap between expected

results and actual? The Communications Audit completed by the study author with the Retail

Financial Services area between July 2012 and September 2012 revealed there was a significant

productivity gap for the ATB Financial workforce due to lack of information availability and

currency. While this information gap appears to be a small issue on the surface, it is a rapidly

deepening problem in many information based organizations –as Laudicina (2012) has keenly

identified - how to effectively develop, maintain, and curate information is becoming a role of

leadership. It is the author's belief that we are transitioning through a Google style self-

moderated information experience of the 1990's and early 2000's, into a need for expert

information architecture and curation as the volume of information compounds through

advances in technology. According to Laudicina (2012), this information revolution issue is

further compounded and yet requires the Western cultural values shift from management to

leadership. Within ATB, the active rejection of anything that felt too "managerial," like holistic and systematic approaches to technology, human resources, and workforce optimization, has meant that while team members love the organization, the actual productivity of the organization is quite low comparatively. While old bureaucratic processes need to be thoroughly examined for current relevancy, this aversion to "managing" or "systematization" has meant that any work to create more viable systems have been actively blocked within the leadership layers.

Culturally, the prevailing affinity of leadership is to seek tool based resources to resolve organizational issues, known by Schein (2004) as a process "technical seduction" (p.304) to manage change instead of more directive interventions. The organization underwent core transformation over the past several years, removing its many legacy banking systems and building a new unified SAP based "core" system.   SAP is a large European software organization, and according to Wikipedia, "makes enterprise software to manage business operations and customer relations" and is "one of the largest software companies in the world." At ATB this was a full replacement of all foundational banking systems for one unified system, and this would be a massive undertaking for any organization. Because the focus was on this foundational technological change for just over four years, from 2008 to 2012, very few resources have been available for all other operational resources, including a knowledge management strategy. As a Communications practitioner, it was discovered through the communications audit completed in the fall of 2012, that this lack of resources for strategic knowledge management has led to confusion of what the fundamental information management issues are, and therefore there have been several years of "siloing" of

information into private system areas, and also lack of cohesive organizational vision. While

the frontline team members have had to adjust to a new foundational operating environment,

the other information environments around them were highly segmented. Tactical work like

entering customer information and processing would happen in SAP, but the learning,

communications, and career planning environments were all segmented. While the SAP

system consolidated the actual work interface that ATB uses, the information seeking and

learning interfaces were not consolidated. The researcher sat with over 250 frontline people

and followed them through over 22 different interfaces they needed to access to find

information necessary for the completion of their duties.

Research Question

"Culture eats strategy for breakfast, technology for lunch,

and products for dinner, and soon thereafter everything else too"

-Attributed to Peter Drucker,

modified by Eventbrite

How do leaders respond when asked about barriers to organizational transformation?

What impact does the culture behind the systems have on organizational performance? As

many information researchers have found, the root of project performance and information

transmission issues is generally one based in culture. Business environments are becoming

significantly more complex with the growth in technology and data availability. As Laudicina

(2012) exemplifies, we're in a current state of global uncertainty. As a communications

practitioner, the problem used to be that information could be scarce, but now it's become a

problem of effectively understanding what information is actually needed, mining and curating

the data from the incredible array of technology and software options, and producing valuable

content at an incredibly high rate and frequency. While having a cultural anthropology

background as a communications practitioner is rare, I have found it a useful tool to examine

not only the traditional communications mediums, but also examine the fundamental

espoused and unconscious beliefs and values that underlay the practices of any organization.

According to Schein, (2012) culture within an organization is the operationalizing of the

organization's values. Understanding how organizational culture works has become a key tool

to help the leaders I support to understand productivity gaps, and provide an overall user

oriented experience for communications activities within our business line.

Methodology

Examining information management methods and models created the basis for

realizing the actual issue at the root of project performance and information transmission

issues was one based in culture. Using grounded theory, the goal was to compare ATB's culture

and best practices to both other organizations and examination of current theory and practice

derived from academic case studies and literature in order to look for both gaps in our current

culture, systems and methodologies, and look for potential solutions. This examination

includes effective systems and architectures well as examining the cultural processes inherent

in the leadership viewpoints and operational and governance structures both at ATB Financial

and at other leading institutions. As the task of executive leadership is to determine the goals,

values and direction of an organization, it was determined that this would be the best group to

examine theories around cultural formation and managing complexity. Four executive leaders

were selected to participate, each of whom support one line of business with ATB Financial, and each with a different professional focus.

The discussion centered around six focus group discussion question groupings:

Table 1 – Focus Group Questions

Question 1: What kind of organization do we want to be?

- Do we need transformational or foundational change? What does this mean?
- What kind of business environment are we in?
- Is what we're doing working? What are the quiet barriers?
- Can we trust technology to solve our current and future issues?

Question 2: What are some of the unconscious assumptions that operate in our organization?

- How does work get done?
- Who makes decisions?
- What are the hierarchies and how do they work?
- Are these assumptions common to other financial institutions?
- What are some of the things that made us this way – historically, economically, and socially?

Question 3: What level of group formation are we at?

- Are different groups within the organization at different levels?

Question 4: What theories are informing the change in our organization now?

- How do these theories fit in the communications pyramid?

Question 5: What role should leadership play in shaping change?

Question 6: What is agility? What is resiliency?

- How can we balance agility and resiliency?
- How can we build adaptive capacity? Individual – Team - Organization

The examination was formatted following an applied anthropological framework. Kedia and

Van Willigen (2005) define the process as a, "complex of related, research-based, instrumental

methods which produce change or stability in specific cultural systems through the provision of

data, initiation of direct action, and/or the formulation of policy" (p.16). More simply, applied

anthropology is the praxis-based side of anthropological research; it includes researcher involvement and activism within the participating community. As a communications practitioner within the organization and a researcher, a pure ethnographic approach was determined to be inappropriate as tangible goals and outcomes are expected. A grounded approach was selected because it provides the most opportunity to cast a wide net to tease out trends and behaviors that may be culled or overlooked with a more focused theoretical model.

A focus group was chosen in order to give the respondents time to have a deep reflective discussion to elicit frank opinions on topics of culture and our organization in a low risk environment. A two hour framework was determined as, within the organization, meetings of importance are generally allotted more than an hour. The flow of the questions is intended to lead the and showcase discourse on topics of values and transformation not only to gain insights on these topics, but to also gain more tactical experience for the group with the impact and need for rhetoric in culture. According to one respondent's observations during the discussion, it's not just about negotiating tactical responses to issues and ideologies, but rather to even agree to having the conversation at all.

As a researcher and professional working for the organization in question, there is always a balance, described by Kedia and Van Willigen, (2005) to be made between the needs of the organization, the needs of the informants, the needs of the researcher, and the needs of the professional communications leader within the organization. These sorts of values and lenses are always present in any form of anthropological work. In order to ameliorate some of this pressure, the clients selected to be respondents in the focus group were leaders within the community being studied; the focus group respondents were all from the executive team. ATB

Financial has many researchers embedded within the organization, tasked with examining a variety of aspects of our organization, and is very open to research-based examination.

As a communications leader, I have found it is important to understand not only how organizational culture works on a macro and micro level, but also how to influence the cultural development of the organization in order to better manage through complexity. The goal of this study is for leadership and the organization to gain insight into the importance of organizational culture in the workplace, which could support efforts by the leader to be more effective in managing complexity and information management in order to better focus the team towards the goals of the business. Generally change interventions both within the organization and externally are focused on tactical change mechanisms, instead of cultural change mechanisms. The change management process also assumes an outcome of a steady state, which is difficult in the current turbulent business environment. Information volumes and complexity are increasing, and a more sophisticated understanding of organizational culture and how to influence it can help to better refine organizational focus. Further examination and testing of the premise of the influence of culture and its effects on organizational performance could help enable the effectiveness of tactical interventions not only for leadership in general, but also communications practitioners. Understanding the more subtle nuances of culture in general and the culture of one's organization in particular can mean that communications interventions can become more sophisticated and less intrusive. The goal is to help quiet extraneous noise, sift and curate the user experience. Communications practitioners' standard mediums are not as efficient at information transmission as needed, and in a world where information volumes are continuously

increasing, the old tools need something to help sharpen them to help achieve better user outcomes.

Concepts and Definitions

At its highest level, culture can be defined as a social product of our need for stability, consistency and meaning. It is a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and taught to new members as the correct way to perceive, think, and feel in relation to those problems. It is a mechanism of social control. It is derivative – overt behavior is mediated by both cultural predisposition and situational contingencies. As can be seen in Table 2, there can be defined three levels of culture for easier analysis:

Table 2

Levels of culture:	Artifacts:	Visible structures & processes
		Architecture
		Dress & personal representation
		Sound & Smell
		Rituals and ceremonies
	Espoused Beliefs & Values	Strategies
		Goals
		Philosophies (espoused justifications), myths, stories
	Underlying Assumptions	Unconscious & taken for granted beliefs & perceptions, thoughts & feelings.
		Ultimate source of values & action

Schein, (2004)

These layers are created and supported through and by individuals and groups, and both practical and sense making activities are ongoing. The first two sections of artifacts and espoused beliefs and values are generally overt representations of the culture. They both help create and support the underlying assumptions of the organization and the individuals within

the organization. Concepts, emotions, and behaviors are actively created and managed formally and informally by an organization. Organizations are in and of themselves created societies of people. Financial stability, group membership, and purpose are all important features of organizational cultures. This group learning, assumptive behavior, and drive for stasis is one that is generally overlooked by organizations as they work to achieve their purported goals. Aulet (2014) paraphrases the work of Schein: "culture guides employee decisions about both technical business decisions and how they interact with others. Good culture creates an internal coherence in actions taken by a very diverse group of employees." A significant gap in common understanding is that HOW a group organizes itself, is as important as WHAT it is organized around. A significant example of this lies in how organizations manage their knowledge.

        According to Schein (2004), organizational cultures can be integrated, differentiated, or fragmented. And, as the researcher has realized, cultures have autoimmune systems. Once a group begins to define itself culturally, they begin to determine the criteria for leadership – who will or who will not be accepted or fully recognized as a leader. The creation of a culture is systematic; it is in and of itself a manufactured tool to help achieve our needs. What can be seen as a purely organic and unfathomable happening is actually a process of needs fulfillment, and it can be handled systematically. If elements are dysfunctional, it is the unique function of a leader to be able to perceive the functional and dysfunctional elements of the existing culture and manage the cultural evolution and change in such a way that the group can survive and thrive in a changing environment. The most advanced organizations realize that creating innovation, learning and development are processes that need to happen continuously in order

for an organization to maintain its edge. Unfortunately, cultures tend to default to stability and consistency, and meaning can be difficult to manage in a high change environment. Therefore, it is the tendency for organizational cultures to actively protect against innovation and creativity as these are seen as being hostile to stability. According to Schein(2004,)change and learning individually and organizationally is a stressful process, Appendix D outlines the process of learning and the need for detached/mature team members are needed to help get groups moving – these are individuals that are not conflicted about authority and are therefore able to perceive and articulate what is really going on.

The formal professional process of change management is being challenged: as its foundational goal of getting through change effectively with the outcome of a steady state as a result, does not work in our current standard of continuous change and complexity. Ambiguity has become a norm, but most organizations goals are to work through the "change process" as quickly as possible to minimize this stress. By trying to get through change faster and minimize the time spent in the learning state in order to get to a stable state, it means that groups do not have to learn to get comfortable in the learning state. Change is seen as transient, instead of as transformative and constant. The most innovative organizations don't work to minimize this stress, but actually work to become better at accepting and normalizing the stressors – they don't focus on stopping or rejecting the stressors and getting through the change process faster, they work on making the change process continuous and toughen their people to not only deal better with the stress, but actively seek out ambiguity to better sharpen their focus in new ways. Schein outlines how detached team members are needed to help toughen team members keep groups in mature transformational states. While the values
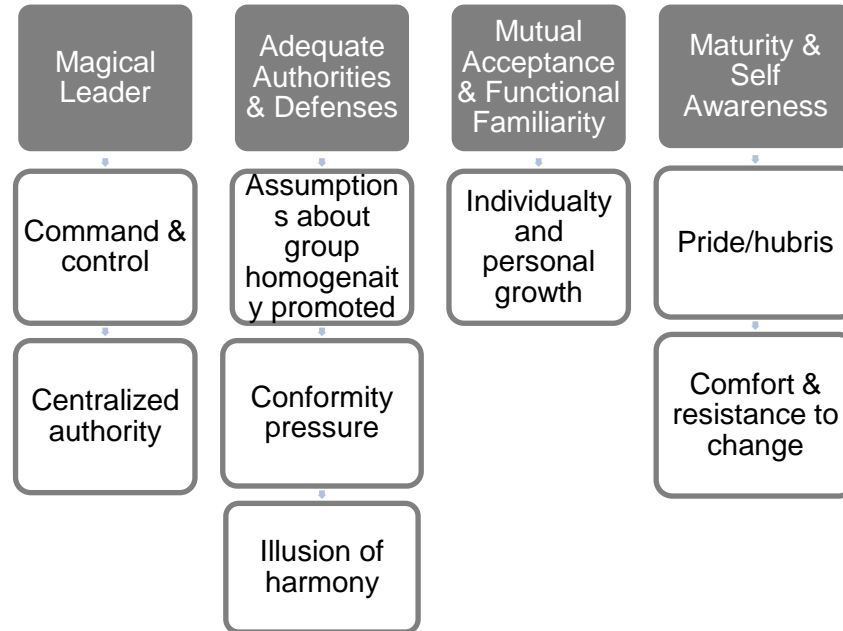
of simplifying complexity through systems from change management philosophy is still sound,

the focus on an eventual steady state in any area is actually a risk to agile systems thinking. It

is a slight terminology change in focus, but it is an important thought shift in developing

effective management systems: it has become more important to manage complexity rather

than manage change.

Sometimes in the evaluation of culture, the actual process of the formation of groups

can be overlooked. Shein (2004) looks at how organizations are influenced by the level of

group formation they have achieved. Like engagement, group formation is not a directly

causal factor for productivity, but there are preferable levels as an organization evolves. For

example, in a new organization, having a charismatic or "magical" leader can draw in both

talent and belief in the organization, helping get the organization off the ground. As the

organization evolves and changes, there is also survival and learning anxieties at play that can

either help propel the organization into the next phase of its evolution, keep it in the current

phase, or push it to backslide into one of the other phases. According to Schein (2004), there

are typical behaviours for each level of group formation; Table 4 is an interpretation of his work

into a table for clearer understanding and analysis by the researcher:

Levels of Group Formation:

Magical Leader	Adequate Authorities & Defenses	Mutual Acceptance & Functional Familiarity	Maturity & Self Awareness
Command & control	Assumptions about group homogenaity promoted	Individualty and personal growth	Pride/hubris
Centralized authority	Conformity pressure		Comfort & resistance to change
	Illusion of harmony		

Appendix i: Schein, (2004)

Understanding the levels of group formation is foundational for understanding the behaviours within an organization. Many things can first appear to be against the purpose and goals of the organization, until one understands that an individual is first a member of their close team, they're also a member of their chosen professional focus or role, and then they're a member of the organization. While some behaviours may seem counterproductive to the goals of the organization, they may be unconscious learned protective behaviours depending on the level of group formation their area is at. Generally the best way to evaluate levels of group formation is not through the leaders of the area; rarely do leaders have a full picture of their team's interactions, styles and behaviours. The behaviours that typify most group interactions currently, as we move from a highly segregated and siloed organization and attempt to enforce harmony, are those from the "Adequate Authority and Defenses" level. According to Schein, the detached members of a group, the non-conformists are interesting to watch –

overtly they are ignored, rejected, or overlooked, but many within the group and from other groups find safe channels to interact with these non-conformists. Many executives, in order to protect the strength of alternative viewpoints and innovative new paths, find ways to protect their non-conformists, thereby encouraging their non-conformity. This creates an almost subversive component of the organization – work areas that find a way to stay on the edges of the bureaucracy, or "orbit the giant hairball" as MacKenzie (1998) would put it. MacKenzie's work on maintaining creativity and innovation even in bureaucratic environments, is more about creating active, creative and productive sub-cultures that can subvert or work around prevailing environments, and not so much focused on changing the environment to be more innovation friendly. This mirrors most of the work within ATB, in that there are theoretical values and ideologies at the "30,000 foot" executive level, but those rarely impact the bureaucracy, and then there is the tactical work enforced on the frontline to get the culture changed through the bulk of the workforce, but very little focus on tangibly and systematically focusing on and changing what I call the "messy middle" – the middle managers and internal leaders that aren't executive, but also don't supervise the frontlines. This group is the one that can become the most entrenched and protectionist, even while fully believing they are doing so for the best interests of the organization. They can be the stabilizing force between the perennially changing focus of the executives and the stability and directional needs of the frontlines, but they can also be a strong barrier between the vision and drive that the executives have, and the frontline needs.

A set of tools that are useful to have to help frame out applied anthropological work in organizational studies is the information management tools of an organization. These are the

artifacts that formally and informally create and define the values, and underlying assumptions

of an organization. While some organizations have highly systematic and formalized

information processes and tools, many – like ATB – do not. This can lead to unintended

consequences throughout the organization in a variety of ways which can be rich cultural

information on the organizational values, but in application does little to help the actual team

members. In order to strategically organize information effectively, the D'Aprix 6 Step Model

for Manager Communication (1982) is a highly effective model to format information needs of

workers. The continued validity of this model shows that not only are organizational

information management issues not new, they are perennial, and also that a taxonomy for

managing information can be more important than a technology. As a practitioner, utilizing

this model helps leadership understand that there is a gap between their desire for productivity

and their role in creating an environment that is conducive of productivity. The researcher has

found that this model can be utilized as a hierarchy in conjunction Maslow's Hierarchy of needs

– it is a hierarchy of informational needs – see table 2 for this interpretation. The researcher

has found that there is a hard engagement barrier between the individuals need fulfillment –

what is my job, how am I doing, does anyone care - and then thinking about organizational

needs – how is my team doing, what is our mission/vision/values, and how can I help. First, the

worker must know what their job is; have the tools and resources readily available to do their

job. Secondly, they want to know how they are personally doing within their role, generally

from a 1-up supervisor, and they need this feedback regularly – generally on a weekly or bi-

weekly basis depending on their function. After that, the worker needs to know that their boss,

and to a lesser extent, their organization has noticed the impact that their work is having. Once

all of an individual worker's immediate needs are met they cross over into the productivity area

that most management practices and formulas aim for – how the close team is doing, what the

overall vision, mission and values of the organization are, and lastly, how they can help and

their role in achieving the goals of the organization.

Table 4 Interpretation of D'Aprix 6 Step Model
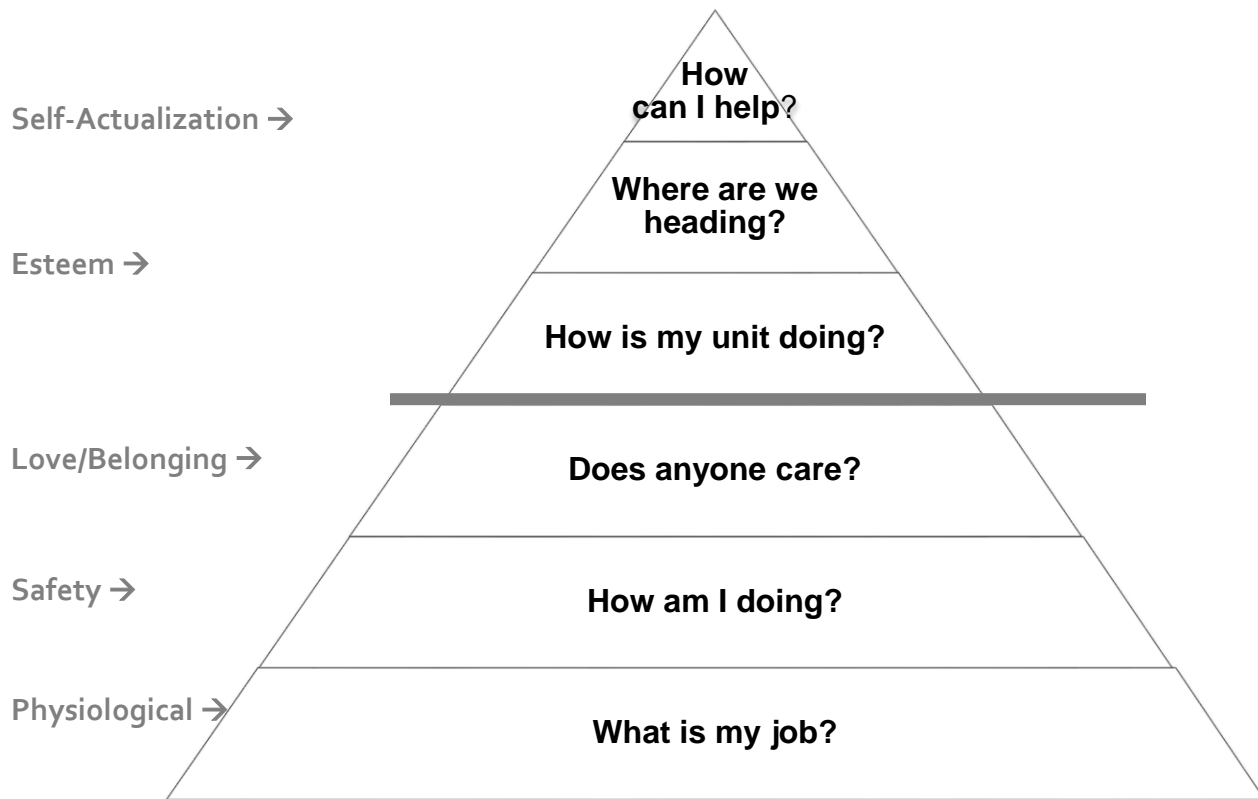
Most leadership and project practices are based around the last question – how can the

frontline team members be made to better drive the results for the organization, instead of

how management and leadership can be made to better drive the results for the team

member? When the organization becomes top heavy in terms of volume of top and middle

management, these are the groups who are most likely to lose focus on direct customer needs

and interactions, and also frontline user needs as the customer facing appendage of any

organization. This is why many organizations have focused on "flattening" and reducing the layers to their hierarchies in order to drive efficiency. The idea is that fewer layers create fewer barriers between the frontline and the top of the organization, so that the top management has a better understanding of what's happening "on the ground." D'Aprix (1982) Maslow style model meshes well with Schein's (2013) work on career anchors:

1. Autonomy/independence

2. Security/stability

3. Technical-functional competence

4. General managerial competence

5. Entrepreneurship

6. Creativity

7. Service or dedication to a cause

8. Pure challenge

9. Life style

These models ideologically can be used to examine the culture and membership of any organization. An organization can structure itself to best fit the needs and expectations of its membership, as well as manage the selection and development criteria to ensure the group membership aligns with organizational needs and values.

Executives' role is to create and help translate the vision, purpose, and strategy of the organization. They rarely have direct contact with customers, and most of their contact is with their leadership teams, and leaders at other organizations. This means that it's best to create formal backchannels for the frontlines to be able to communicate their expectations and needs

to their executives, otherwise the meanings of their direct experiences with customers get washed out through subsequent layers of supervisors and middle managers, and the Executive lose an exceptional market and industry sensory tool. According to Pont and e Oliveira (2014), while many executives believe their only "sensory" tools are in their Marketing and Sales areas, they are missing the exceptional insights that can be had from all business areas. Most executives have their strengths in key business areas, and these preferences and leanings highly inform and heavily influence the direction and even cultural values of the organization. As new leadership transitions in, they bring with them their own ideologies and understandings of what is important, what is productivity, and what is appropriate evaluation and validation. This is why the insertion of new leaders creates a waterfall effect of changing top management and middle management as the group reforms to these new values and standards. These processes can be helped or hindered by an executive's understanding of the hierarchy of information needs. In times of high volatility and low focus of a quickly changing environment, the middle can be so busy trying to absorb and process changes from above and externally, rather than working to support and serve the needs of the only productive group – the customer facing areas of the organization. This means that they may inadvertently or purposely actually be building barriers to frontline productivity rather than removing them. The more random and volatile the executive focus, the more the middle needs to protect itself, and the less it is able to translate executive vision into practical activities, behaviours, and systems that can be used by the frontlines. The middle can be an excellent buffer to help sharpen and enable executive vision, or, if unfocused, can become the "giant hairball" that MacKenzie (1998) describes, that gravitationally pulls the organization to mediocrity.

To summarize the major concepts organizing this work, organizational culture can be broken into three areas for easier conceptual understanding: artifacts, espoused beliefs & values, and underlying assumptions. All of these create and maintain the culture of an organization. The next understanding is that there are levels of group formation at play in organizations, and different groups can be at different levels, with each level having different needs and values for their group membership. A key flag for the culture and group formation of an organization is how it manages its information. Generally a practical format like D'Aprix (1982) model is considered the most effective.

Literature Review

Intranet Practices

Effectively managing and harnessing information has always been a part of good business practice, but it is becoming business critical to organizations to survive in the Information Age. As identified by Bennett (2009), "practice is far ahead of research," as the proliferation of Web 2.0 services in most organizational environments has grown to a staggering degree. Organizational intranet infrastructure and information best practices have been overridden or pushed aside as irrelevant as the rage for "pull" communications mediums continues to grow. Interestingly, the same issues flagged by Ruppel and Harrington for early intranet adoption in 2001 are flagged by Yoose for Web 2.0 adoption in 2010 – culture, communications, training, appropriate tool selection, and ownership/management are still issues that have not been overcome. According to Burke, (1992), because of the "Let's get on with it" attitude held by most North American managers, very little scope and diligence has been applied to examining both the need for new technology and services and the actual

impact and unintended consequences of unexamined technologies. Actual user impact and productivity is never examined with the constant rollout of new technologies to blanket over older and unmaintained technologies. These new platforms rarely fully replace the older platforms, and users generally have to manage to go between all of these environments to fulfill their work and information needs.

Most organizations are so focused on implementing new technology that they do not realize that culture plays a highly influential and often unconscious role in the knowledge management of an organization. The technologies themselves are expected to promote good organizational behaviours, and subvert non-productive behaviours instead of the old managerial model. The underlying goals of most office technologies is to take the "managing" out of leadership – the system can take care of managing dispersal of work, training, and productivity. But there are significant unintended consequences of utilizing applications and technology to drive organizational change – dehumanization aside, very few of the promised benefits of organizational productivity technologies are actually realized. Technology does indeed change organizations, but not generally in intended ways. According to Alvesson (1993), if one is in a "Knowledge Intensive Firm," knowledge is an institutionalized myth built in "confidence and good faith," actual tactical knowledge is a limited element in the work of knowledge workers as capacity to adapt is key, and work results cannot be traditionally evaluated as status and perception may be more important than tactical competence. All of these aspects play against the ideology of being able to wholescale import technical solutions without a holistic examination of the actual real beliefs and practices of one's workers and leadership. Success is as attributable in knowledge-based work to all aspects of both the

organizational team member lifecycle feeling culturally appropriate, and having the entire

environment align with the purported goals of leadership, as much as having the tools to do

things faster and cheaper. What this means is that the environment needs to align with the

organizational story, not the other way around. Any product, event or object that is brought

into the team environment either needs to help change the story, or align well with the story.

Ruppel and Harrington (2001) cite Cooper and Robey et al. "suggest that culture, which

offers a promising perspective to understanding contradictory findings regarding IT and

organizational transformation, is a factor that has largely been ignored by IT implementation

researchers." (p. 38) Bennett quotes Olstedt (2003), "technology can handle storage, sorting,

displaying, disseminating, and calculating information, but people must interpret and evaluate

information. Occupational culture influences the management of knowledge through subtle

and often tacit evaluative mechanisms." (Bennett, 369, 2009) Culture not only influences the

focus and understanding of the information provided through and by technology, but doesn't

address the unseen biases that inform the foundations of what actually constitutes

information and value.

Technology is created by and for groups that have their own specific goals and values,

and their own cultural definition of meaning. This means the technology itself is an

unanticipated carrier of outside cultures that we're actively injecting into our own. Culturally,

only that which is considered valid is expressed through systems and procedures, and only

then is it expressed explicitly through technology. Technology in and of itself is not benign, as

McLuhan explained through his famous quote "the medium is the message." The social effect

and alignment of any new technology is rarely examined before deployment.

Both Ruppel and Harrington (2001) and Yoose (2010) identify information technology mismatches as also causing an IT productivity paradox where the increased use of IT does not result in expected increases in productivity. Ruppel and Harrington (2001) identify trust and shared ethical values as foundational for creating a culture of ownership that can "reduce some burdens, increase social capital, and aid intranet implementation." (p. 39) They have also flagged that the effect of culture "may only increase in the future," "Management must realize that knowledge must be nurtured, supported, enhanced, and cared for. "(p. 39) In the 12 years since the publishing of their work, the red flags have been predominantly unheeded as increasing focus has been put on the technology component of knowledge management, and culture and management issues have been largely unaddressed. While they flag the information/technology component as "only 20%" of the issue, this number has likely dropped as better technology and worse cultural and management focus have increased over the years.

Most organizations do not see their information as organic; information is managed in a static way, similar to publishing books and magazines. They do not see it as an intrinsic part of the cultural record of the organization, and build a holistic mitigation structure. As new information is available, new versions are released over the old ones. There is very little remediation of the old information, and it is maintained as well as a backup if the new information has issues. According to Alvesson (2011), the current focus of intranets and content management are too narrow to efficiently capture the intangibles of tacit knowledge: the relationship, trust in source, and the process of self-conceptualization and actualization within a firm or role. Marcus and Watters (2002) follow this thread to a tactical conclusion: "sophisticated Knowledge Management systems promote natural interactions and idea

sharing among people." As stated by Bennett (2009), "fundamentally, Knowledge

Management is a social activity aided by technology and therefore connected to Occupational

Culture." (p.367) Currie and Kerrin (2004) affirm this with the idea that "norms and values are

held at a functional level" and that this "knowledge hunger" parameter is culturally set. (p. 24)

Unfortunately, as most organizations manage their information in a static way, this creates

chronic issues in information management systems. Current information management

systems are frequently intranet based, and the process of information management failure is

generally seen as a technology failure instead of as an organic systemic cultural failure. The

sophisticated possibilities described by Marcus and Watters (2002) are a higher state of cultural

knowledge management that has not been achieved by most organizations.

The signals of intranet failure are generally seen as a tactical technological issue in most

organizations instead of a cultural one – a consultant can come in and evaluate how to better

focus the information at hand and build a newer version of the old model. This is a Band-Aid

solution that leads to future failures, ATB Financial went through a comprehensive update of

their intranet in 2011, and due to the complexity of the governance pieces including social, and

content ownership issues, and it was instead very much a like-for-like rollover. The

organization was still in the Core project, a comprehensive project to replace multiple legacy

banking systems with one unified system, and therefore organizational resources were fully

allocated. At the time it was noted that this like-for-like content rollover was SharePoint's

largest intranet migration in North America to date because most groups were not

comfortable with the process and scope of a full remediation project at this time. The

intention with these styles of rollovers is generally the idea of a slow progression into a new

environment, but the result is a Band-Aid solution that at on the surface can address some of the issues of older technology, but often creates an environment of continuous workarounds as the foundational user information needs are not addressed holistically. The older literature attempts to flesh out practices for infrastructure for the web and computer based knowledge economy, but as these systems have evolved significantly over the past decade, much of this work has not been converted and tested from academic theory into common business practices and behaviours.

Linger (2003) and Nonaka(2001) have brought together compendiums of papers circling the topics of not only the digital technology needed, but also some thought around cultural traits needed for leading in a knowledge economy. It is only recently that an up swelling in understanding has amassed around the importance of culture in modern organizations, especially surrounding knowledge management as this is becoming apparent as a key ingredient for differentiation and success in the knowledge economy. Previous focus was almost entirely on providing more data, but now organizations are realizing that this data requires translation and insights in order to provide value.

Knowledge Management and Information Architecture

Information architecture navigational issues are an epidemic problem – finding information effectively is a difficult problem as the frontline user needs rarely align with single information sources and subject matter experts. Generally what is needed is a cross-functional evaluation of information to give the user a clean and clear picture of the task at hand and what they need to do, which requires input from diverse professional aptitudes. Generally professional work groups do not trust the work from other groups as they tend to have

fundamental cultural assumptions that do not align. For frontline usability, information needs to be relevant, current, accurate, and appropriately curated to be culturally reinforcing. Some organizations centralize this ownership under one area, generally Information Technology, or even specifically under an intranet manager. This is difficult in larger and more complex organizations as content owners need to understand the content in order to effectively manage it. With large volumes of frequently evolving content, this model quickly breaks down and can lead to full intranet failure. Yoose (2010) quotes Tredinnick in that "out-of-date, incomplete, or incorrect information on the intranet serves as a major reason for intranet failure."

Without leadership intervention to create cross-functional work teams directed at creating value for the frontline and the customer, these groups develop in isolation and can create fundamental senses of internal competition for truth. Because of this information gets duplicated with slightly different lenses, and most users have developed well established workarounds to get to needed information faster. Unfortunately this means that since these workarounds are not the proscribed process, when information or structure changes, users may be unaware or resistant to newer information or processes.

These navigational issues cause more problems than just lost employee time in the information search. The lack of information availability can damage trust, as employees can feel that management and the corporate support areas do not understand what they need to do their job, and further, that they do not value the work that is done because the tools have been hidden. According to Bennett, (2009), how information is shared is as important as what information is valued. (p.367)

According to Pont and e Oliveira (2014), organizations are very good at accumulating market information, "they are not as good at sharing it across the organization or agreeing on its broader implications." (p. 53) They see there as being three barriers in action that stop innovation: (see Appendix 4) overreliance on marketing and sales as the information gathering appendages and narrowing its sensory capacity, infection of resistance to change ("we already know what we have to do"), and information is never processed – it may be reported, but it is not interpreted or acted upon. This is exacerbated in an organization that silos out functions to allow for innovation and agility. Content ownership and governance is a difficult problem for most organizations as these are external controls to attempt to manage and mitigate underlying and generally unconscious cultural systems and beliefs.

Findings

On Leadership and Rhetoric

Evaluating culture can help tease out hidden barriers that may be in the way of leadership decision making, these are the underlying assumptions that Shein (2004) outlines. Within this study, the first question asked of the respondents within the focus group was what their vision was of the organization – what kind of organization do we want to be?

> The organization we want to be is an organization where we know what our common
>
> goal is. We know where we want to reach as a team, group, department, organization...
>
> The more important thing is that there is a certain amount of respect in the working
>
> relationship you have with each other. What I mean by that is if a team doesn't fight –
>
> when I'm saying "fight," I mean challenge each other, question each other, and put
>
> each other in a difficult spot... It needs to be a team which constantly challenges each

other. It needs to be a group which is not afraid of being confrontational as long as we

all know that we are headed towards the same goal. And we should not be shy of doing

that because I think… if we want to move ahead, we need to challenge each other and

then move ahead together, rather than hide feelings within yourself and pretend to be

good to each other. That doesn't help anyone.

The barrier for some leaders is that they may come from a background of Aristotelian

polarizing debate, and not Rogerian style where common ground is the goal. While ATB is

known rightly to be a very friendly and supportive organization, there is also tension as

differing viewpoints are held between areas and people in the organization, and it creates

collaboration barriers between groups. One can see this is a common issue in Shein's (2004)

level 2 group formations in Appendix C, a behavior of passive aggressive protection of group

interests against what can be perceived as outside or outsider ideas. The barrier for some

leaders is that they may come from a background of Aristotelian polarizing debate, and not

Rogerian style where common ground is the goal. The strength of this protectionism creates

not only a barrier to understanding and collaboration between groups, but also questioning

and risk management. As identified by Schein (2004), detached or outsider perspectives are

important for creating resilient and agile systems. The territorialism does not allow for and

encourage questioning not as a challenge to authority or position, but as a healthy aspect of

mature group operation. One speaker stated *I truly believe that what you do between eight and

five should not reflect on how you feel about each other past five and before eight.* As another

speaker took this idea and walked through how we could get from strategic alignment, down

to positional agreement:

> From the common goal is, I think, understanding what our role is in accomplishing the common goal and then to take it a step forward is to become functional. And that is to be focused…to be able to set aside ego and hierarchy and focus on what are skill sets that we can bring to the table and why we're there.

Ego, hierarchy, and social norms are highly powerful human motivators, though, and it can be difficult to create a new merit based standard when a group needs to gently work through such social minefields. Groups like to regress into comfortable patterns, and as stated previously, banking is generally very hierarchical and traditional. One goal is to begin to target complacency: *I think that the endgame potentially will continue to change… you can't get complacent and say, "Aha! I've arrived." I think the game continually changes in shape.*

> So, we may think of ourselves of having an incredibly open culture, and we may think we're living it; but, in fact, we may not all be living it. Or, we may be living it, but then that gets destroyed by processes that are incompatible or [by] the other things that we do

This means that the stable resting state of the organization is one that defaults to hierarchy and bureaucracy, and that while overtly we are saying we want openness and innovative ways of doing things, without actually creating an environment that is safe for innovation, the organization may have bursts of ingenuity, only to slide back into inertia.

HOW work gets done

Within the context of organizational complexity, one of the respondents brought up the idea that as we as an organization move into the future, HOW we do things becomes just as important as WHAT we do:

> As ATB becomes a more mature organization, and we're trying to improve our performance, I think we need to expand our view of what we're trying to do, and understanding the value of going about it in certain ways... Like, it's not just to do something the way we do it, the way we achieve it, the risks we end up with at the end of the process are also much more important than they used to be. ... And so everybody being willing to understand that different people bring different views or different scopes to the thought process can be quite important.

The discussion evolved around the idea of fostering a culture that better allows for expression of diverse opinions, beyond siloed homogenous ideas. According to one respondent, w*e talk about disagreeing on a particular topic; but I think, typically, we're actually disagreeing if we should have the conversation.* This is where Schein's thoughts around group formation are showcased, we don't want to see ourselves as siloed, but we still in some ways are. We know we need to get to *mutual acceptance and functional familiarity,* as one respondent stated, but there is still work to be done. There is some disagreement on how close to tipping from a siloed culture and into a mutually inclusive culture we are, as one respondent stated *in terms of working relationships, I believe we are very close to being there*. And yet another respondent respectfully had a different perspective.

> At the executive quarterly meetings that we're just held, there was a lack of forward-oriented questions, or challenging questions, from the floor to the leadership... I think within [our internal business area] we're doing generally quite well. There are pockets of places where people are still reticent or unsure of how to proceed, even if they decide they want to do something.

While some groups internally are becoming quite good at challenging themselves within there sphere, there is still gaps in the organization at large.

> I haven't seen too many people from [our internal business unit] challenging [or being challenged by] [other business areas.] That, to my mind, is the next level. ... Maybe it's happening at the [Corporate Management] level; but it's not translated downwards.

What makes this move towards acclimatizing the organization to more diverse viewpoints is that these viewpoints can have an entirely different way of approaching work, issues, and opportunities.

> I would say the foundation is laid; but, you know, one group might challenge in a little bit different way than another group; or, might respond not to criticism, but different stimuli differently.... What it means is we have to do a better job, I think, probably at the executive and maybe a layer down of being able to recognize people will come to the table with different experiences, which will result in different responses.... The [goal] was the same; but how people got to that was quite different.

This goes back to the idea that what is done is becoming less important than how we accomplish it. Groups can easily become mired in disagreements or misunderstandings regarding how a task or issue is to be completed or resolved, that the project never gets

completed. As an organization we need to become ready to accept challenge not as a means of stopping work, but rather a way of testing, refining, managing risk, and ultimately moving projects faster. One respondent stated that we need to *be able to challenge, if not only just to understand, but to get another perspective on the table.* When it comes to how far along we are in our readiness when it comes to challenging and being challenged, one respondent stated *if I was to build a scale, we're probably in the bottom third, moving towards the middle third; and I think once we hit the top, we'll feel like we're hitting on all cylinders, I think the bar will have to move again.* This readiness for diverse viewpoints is something that is a continuous process, but the cultural default is one of inertia. In order to maintain the forward inertia, it is risky to assume a future state of stability and stasis, as change management ideologies attempt to drive towards. Instead, organizations need to focus on how to manage their complexity, not their change, and look at how to engage their teams and individual contributors in the most effective way to create an environment that embraces challenge.

Within the focus group participants, there was an initial lack of understanding of how cultural constraints could hold back an organization. This created interesting and significant confusion expressed with the initial question about not only the vision, but that they do not feel like we've achieved it yet, but cannot figure out where the barriers are because to the respondents, it seems like most people are onboard.

It's like the senior management, the senior executives, knows where we want to go. We know we're not there, and there's always tension and frustration as to, you know, "who the [heck's] holding us back" The frontline, for the most part, if they're engaged,

understand the vision; and they understand where we want to go, and they're

frustrated that we're not there yet

Where the turning point was, though, when the group started to look at when and how

decisions are made in particular.

I think there's a layer that we sometimes wish didn't exist, but we have, I think, real-

world challenges with the competence and expertise of people that we're asking to

make decisions and their ability to access and to find subject matter experts. So, I'm not

particularly in favor of any person making random decisions. I want the right person to

make the right decision... Not everybody on our team does that, or is capable of doing

that in any topic area. So, there is ... a bit of balance between getting the right decision

maker, or pushing something to a decision, versus making it in a vacuum.

There are relatively few things that we can decide that are going to blow up the bank.

So, ... we are very much bound by past practices and CYA mentality, but I do think there

is a genuine concern in a number of places that there is a potential lack of expertise or a

concern for the unknown; and the reason we consult stakeholders is to make sure there

isn't something that we're going to regret. We don't do that nearly well enough, fast

enough; we get bogged down. It's not just reluctance to make a decision; it's a concern

about making a wrong decision."

I don't think we have really percolated down really deep is that, come what may, we will

stand behind your decision...And that is important, because if we are expecting them to

make a decision, if we want them to make a decision, nobody's perfect. Everyone's

going to make mistakes."

On saying we're empowering and making people accountable in theory, while in reality

they receive significant negative feedback on even having made a decision – makes

people pull back into their shell and trust leadership even less: That's the culture of the

concept, versus culture in practice... If we want people to do these things, we need to

know that all layers of the post-decision feedback process are supportive of the culture.

But – while there's some frustration from senior leadership about barriers to making decisions,

some realize in the focus group setting that it is actually a learned behaviour:

I wasn't, out of the gate, good [at making decisions]; but I got better, and by no stretch

am I completely there. I don't think I'll ever get all the way there, but I second guess

myself a lot less. First to trust... was a key piece for me. The test for me came ... [when]

I was put into a couple of challenging situations very quickly... and I was able to do

these things, make decisions. And guess what? I'm still alive.

Beyond our group, though, an individual can learn the competency to make a decision, but if

this competency is not embedded throughout the organization, it can still be difficult to drive

that decision to a successful project outcome:

Because our group has to interact with a number of departments, and [we're] still a

little bureaucratic, there's a lot of rubber stamping involved. And to my mind, that is

just completely inefficient. We give [a team member] is given a task... to take over the

finish line... but other departments... will put them through this bureaucratic chain...

And typically they get hammered on the head, and then they have to come back ... and

it requires our [executive] intervention, to get things done... To my mind, that is just

inefficient.

With the siloed specialization of our organization, we've made our approval process a mass of complexity, according to one respondent.

> We've got too many departments, and I've never seen an organization with so many departments… Just navigating through all these millions of departments which are created within the organization is just an inefficient way to work.

But because these approvals and sign offs are considered requirements, decision making cannot be a barrier, and some individuals have the skills and acumen to navigate these processes better than others.

> Making a decision is a skill which, like it or not, sometimes there are going to be sign-offs required, and sometimes we just need to deal with that. … There are people that need just as many signoffs who get lots done. So, making a decision, being decisive and being in a position to execute is a skill.

One method to target complacency is to identify detached individuals who are able to skirt the "giant hairball":

> I would say that hierarchy is an inefficient way to run a business, and what it boils down to within that, as you said, "giant hairball," is anytime you have a resource – in other words, a person – that's in that hairball that is incapable of, unwilling to, unprepared to make a decision to move us toward the goal, towards the vision, they become a blocker.

What this develops, though, is two systems – the bureaucratic one that is still in operation, and the subversive system that skirts around the bulk and inertia of the central core. While this can be a common way of dealing with institutionalized inefficiency in systems, it doesn't address

the costs and cultural issues created by not tackling the actual inefficient bureaucracy. One idea is that by creating enough workarounds, the workarounds become the new normalized way of behaving. This doesn't generally happen, though, as groups have immune systems, and without significant intervention they will actively work to "protect" the integrity of their set process and system, and find ways to attack the outlying processes. If the bureaucratic core is not required to actually disconfirm their current mindset, their learning anxiety would be higher than their survival anxiety – they have comfortable and stable systems and procedures, and they will not see the need to adapt. As workarounds become more threatening to the status quo "giant hairball" of bureaucracy, according to Schein (2004) groups and individuals within the "hairball" will feel that their "survival" is threatened by these new ways. They can become more entrenched and harder to work around, and more authority will be required to enable the orbiting groups.

Transformational change

A growing concept is one of what level of change ATB and our business area needs to have in order to achieve our goals.

[We've] been trying to lead …gently through transformational change… We're not harshly or aggressively enforcing transformational change, because I don't think we've necessarily needed to. But to get to [our goals] in three years, the organization does need to accelerate the pace of change and deliver on the transformational change. So, maybe we are coming up to the point where we need to engineer a tipping."

One interesting concept is about how transformation can happen within a larger organization. Many best practices when it comes to innovation and transformational change, point to the

segregation of creativity and innovation. Innovation labs, skunkworks, child companies as

offshoots from the main organization, this is a traditional way to accomplish transformational

work quickly, and this is a style that has been highly successful at ATB in the past.

> [Many groups have] been incredibly transformational, but they've done it in a self-
>
> created silo. They've done that very intentionally, and very successfully. They've walled
>
> themselves off from ATB, done everything on their own, and been very
>
> transformational in terms of what they delivered.

In order to achieve this success, groups have needed to get away from what MacKenzie's

(1998) "Giant Hairball" of the centralized organizations morass of traditions and processes.

There is some envy felt by the group for this ability to disassociate, as it makes change and

decision making so much faster.

> They've had the ability to disassociate themselves from the generic day-to-day of ATB
>
> because they were different. Everything they did was an exception, so they just had
>
> different processes constructed that work for them. They had different people in the
>
> SSU hired who are very closely tied to them, who feel a shared success. [We] struggle
>
> from always being the residual of ATB…"

The size and complexity of the organization means that overall transformational change, while

highly desired, seems quite overwhelming because this area is the oldest part, and has so many

groups and offshoots that create a mess of interdependencies:

> I'll elaborate on that… Departments which have been transformational have decided to
>
> split off all connections with ATB Financial; because ATB financial has … too many

departments, to many people trying to do the same thing. And with [our business area] being the residual, everyone has kind of clung on to [us.]

The self sufficiency created by being arms reach is a temptation beyond the perceived reach of our group – from one speaker *it doesn't matter how [these offshoots] connect to the rest of the organization, [because they're]... self-sufficient, whereas, we are not.* So how can a group that is still intimately a part of the main organization become transformational? One way is in how one of the speakers not only proceeds with making decisions, but uses these decision points as discussion areas to help change the overall organization.

I'll make the decisions and go out, and I'll get the finger wagging at me quite often. … It's building our comfort level – not only within [our business area] but the people we need to interact with.

Many of the barriers to transformation are seen to be from areas that are not customer facing, or Service Support Units. The functional focus of these groups, such as human resources and finance, is that support the daily operations of the front facing units.

I'm not sure that if you walked into any SSU … and said "hey, when you make a decision, do you have the business outcome of the [Area of Expertise] first in mind? Or, do you have the risk management of your SSU first in mind?" They think of their SSU's objectives in terms of delivering something safely – right? And if they trip up on something and the [Area of Expertise] has a great success, they don't get to share in that success, they just get beaten down for having tripped on something. So, I think we have a good vison within the AOE over how to collectively contribute to the shared goal. I don't think as an organization the AOE's and SSU's work that way.

This means that whole components of the organization can feel like they're pulling in a different direction than other areas. But does this mean that these areas don't have the outcomes of the organization in mind, or does it mean that they have a different understanding of what those goals are, and how they can help achieve them?

If different areas cannot express their purpose and goals effectively to a stakeholder group that is receptive to hearing it, it creates an understanding gap between the source, the sender, and the receiver.

> For a stakeholder, or for a person impacted by change to not wonder why it happened, but to understand it, we need to consider how to communicate that context to them. And so I think a lot of times, we're very focused on "here's the outcome of the change you have to deal with." We don't necessarily do as good a job sharing the "why" and "Here's the decision, here's why we've done it, here's who we've talked to. We've talked to your leaders, we've talked to Branch Managers. We've talked to 65 associates. They're all happy…If we don't say that we've done that, people, I think, quite reasonably assume from past practice we haven't done any of that.

This understanding was expressed by one of the respondents from a support unity perspective: *there's a lot more of a softer side to managing complexity than most of us think of, because we're process experts. We're not people experts.*

> I think one of the challenges that we have at ATB is this expectation that hierarchy meets all needs, and that communication is completely effective, and we don't explicitly recognize how flawed we areas an organization, and how not everyone actually understands everything. And we don't have any corrective mechanisms built

into the place. [Our internal feedback site] is a great example of short-circuiting

hierarchy.

This is the balance between expertise and hierarchy – sometimes different groups can reject

innovation because the traditional hierarchy was not perceived as being respected. This means

that groups, instead of being rewarded for innovation and appropriate engagement, are

penalized in formal and informal ways for trying to change the old system. This could be seen

as being a part of the ATB culture's immune system insulating itself from change. This

becomes not a game of change management, but rather one of learning how to manage

complexity. Transformational change, while it sounds overwhelming, is a process of

developing focus and systematically managing complexity. While the participants stated that

the internal feedback site "short circuits" hierarchy, it actually does not – it actually reinforces

hierarchical behaviors as effective decision making can only be made by going higher in the

hierarchy. Where it works well is from Pont and e Oliveira(2014) is that executives have a

sensory tool other than marketing, and they are able to overtly act decisively to resolve

frontline issues. This may help model behaviors of decision making to the organization, but

only if it is exemplified as a value. Currently this is not an espoused value as this system

generally operates fairly quietly, and instead quietly reinforces that efficient decision making

can only be made by the top of the hierarchy.

   According to Laudicina, (2012) it takes a particular blend of "courageous and properly

incentivized leadership to change an entrenched process." (Be Wary of Conventional Wisdom

and the Usual Experts section, p.20) From one of the focus group respondents: *we have these*

excellent proof points that say that when you don't flinch and don't let the meeting end, you can

cause extraordinary change. But, even after changing a process or tool, it is still easy to re-

entrench with in the new paradigm, according to another speaker:

> In [a report we do monthly,] I asked if I can't just get a totals column at the end of it that
>
> says, "here are the results for [our business area]." [The response was] "no, I can't
>
> change it. That got locked down, and we just can't revisit it again." So - ... we have
>
> bursts of progress,... and then it goes back to inertia land.

What happens is that these new ideas then become regular practices, and just build into a

comfortable rut that blocks innovative thought.

> I think [what] has become a significant handicap over time is that we've allowed groups'
>
> capacity to become consumed by routine, recurring tasks and functions, ...if [all your
>
> time] is filled with recurring work, you don't have time for new work... so, to the extent
>
> that we build and never let go of reports and monthly processes and checklists, we end
>
> up unconsciously reducing our capacity for new and agile work... One of my biggest
>
> frustrations... is we spend three quarters of our time just churning out gunk.

On the structure of professional teams and attempts to create innovation, many groups have

their main tasks, and perceive their only option for innovation is "off the side of their desk," a

common term at ATB for work that is important, but not central to one's tasks.

> We've never focused... on ditching work and creating that capacity, because we're
>
> always concerned that "I don't know what I'm going to use that for," so until I need it, I
>
> don't. [Other group] is relatively agile, because they're working on a variety of
>
> projects... Your team spends some amount of time doing recurring reporting things,

> but otherwise, they're free to do change.... My [team] is stuck doing recurring stuff, so
>
> we're not readily available to support and accelerate change.

This speaks to the incentive process of what we do – are we incenting our team members to rethink their roles, and find efficiencies, or are we incenting them for regular work tasks, and yet stating that innovation is a value? But like Laudicina (2012) states, while we may constantly want to look to our clients, even internal ones, for answers regarding what and how we do our work, they often have no idea of what one actually does, and what the possibilities are. This is similar to the thread of sensory perception that Pont and e Oliviera followed: if a group has only limited their horizon to traditional inputs, they are likely adding risk to the organization and missing the opportunity to make a breakthrough through cross-pollination of ideas and work styles.

> A culture of questioning what we do all the time and constantly looking to challenge
>
> ourselves and get the right feedback... for our partners. It's not up to my partner to tell
>
> me when I'm wasting my time... It's up to me to go find out. That performance-focused
>
> layer of culture has not driven out through most of our SSU's very well.

One solution is to have one group forging ahead, and other groups working to create the supports: a forward team for agility, and a support team for balancing out the forward group with resiliency. This does not mean that a group who's formal task is to ensure resiliency of the organization cannot be agile in how they do their work, and areas tasked with agility need to have a full understanding of how to explore in resilient ways.

> If you have one group trying to do a lot of stuff fairly quickly, and another group
>
> grounding it with the right foundation, I think it's a strong process. If everyone was

running to do new stuff, then controls would get left behind. Process communication would get left behind. Delivering stuff will get left behind... And that balance is very, very important.

Where this process can be difficult within ATB is because most groups are not as yet thoroughly comfortable with collaboration. Roles and expectations are not fully clear, and projects are "owned" by executives. While this idea of ownership theoretically creates accountability, it also supports the latent cultural territorial attributes and analysis paralysis if the project is one that has pieces outside of the groups professional expertise. Very few projects have no impact beyond the "owning" group, and without effectively collaborating with other groups, many projects have not achieved the level of results anticipated. While past successes have most frequently been seen in siloed situations, this process is not effective in complex environments where leverage of professional resources and economies of scale are needed. Most groups naturally attempt to unconsciously silo their project work because this is what worked in the past. Incentives may not be financial or formal rewards – generally these can be unconsciously reinforced behaviors. A lack of attention on HOW a group is doing their "owned" projects can be quietly rewarding territorial behaviors; the group is able to operate in their siloed comfortable static state.

On Expertise

An important aspect of creating a culture that not only respects diverse viewpoints, but brings them to the table, the organization needs to build a system to actually understand what diverse viewpoints they strategically have on hand. To systematically include demographic diversity is one thing; another perspective is to look at how groups can cross pollinate their

projects and teams with representatives with other professional skills in order to get a different set of lenses on the problems at hand.

> An article on the "death of expertise," and [what] was so striking [was that] it talks about how people actually do not acknowledge that some people are expert, and others are not.

One issue identified in the focus group was the belief that everybody should have a say of what happens "at the table." Massive committees and sub committees would be struck to theoretically run projects, but in fact would wind up stalling any actual project work due to lack of respect for expertise as a measure of authority, and also having the wrong people at the table.

> There's a whole culture that grows up to think that everyone is equally entitled to participate in everything, and if you're taking… a vote of democracy, that's true. But if you're having heart surgery, it's like, "No, no, I want one person in charge."

One can easily spot the scope of a decision and how much decision anxiety surrounding an issue within the organization from the number of committees and consultants surrounding it:

> Our tolerance for allowing our people to over engineer because they're afraid to make a decision – …They're saying, "I'm bringing a big working group together, because that makes a decision more credible." I think that, deep down, they're pulling that working group together to cover [themselves,] as opposed to standing behind the decision they're making.

Having the wrong people at the table is just as obstructive as not identifying the owner and

authority on the topic of discussion. As one speaker stated, *it's the membership selection*

criterion that's very important.

> We want the product to be credible... Our direct reports believe that we want everyone
>
> involved... And there's a huge difference between creating something credible and
>
> meaningful and attaining the right validation points, and creating an environment of
>
> inefficient focus groups where nobody will make a decision.... We need to ... test where
>
> ... the perception come from that we want everyone involved.

The wrong people at the table means that issues get clouded with irrelevant information, and a

group can get stuck easily in analysis paralysis, or creating a less than impactful product

because it's creation by committee.

> If you're an expert, take a position. If you're not an expert, keep your mouth shut... Let
>
> the expert handle it... Communicating it out in a credible fashion is a completely
>
> different affair. [People] need to believe they have been involved... [but] it cannot be
>
> that everyone's involved in a decision.

This speaks to where our ATB projects could use a more focused and refined approach. There is

in most project management styles a time for consultation with stakeholders, and a time for

the experts to make a decision, and a time for effective communication and training.

> [If] we didn't quite have the information we needed, but that flinch which says, "we're
>
> going to leave the room now, even though we're not done... it means something
>
> stopped us from making the decision, and you've got to ask is it a – "Did we not know
>
> the answer?" "Did we not have the information?" "Were we not willing to make the

call?" ... Why the flinch? Why the pause? Why the delay? What I'm talking about is an innovation approach to decision making which is, "make the decision."

One of the speakers used an example from a traditional professional area, Legal, as an example of expertise driving effective decision making in the face of ambiguity.

> I'm going to give one example of some other department which I think works beautifully, which is the Legal Department... Legal aspects can have lots of shades of grey; but if you go to our Legal Department, and say,... "This is what I want to do. This is the challenge. Can you help me?" you'll come out with a definitive answer within 15 minutes time. And that, to me, is the most amazing department in terms of functionality, because they are experts. They will tell you up front it's a no, or what can be done to make that 'no' a 'yes.' It'll never be grey. Try that with any other department, it'll never happen.

The speaker took this further, to look at how to develop expertise and also confidence in these experts.

> When we talk about agility, is part of that maybe understanding that we need to have an appropriate base of experts that need to be understood as such? They should probably be designated as the "go-to" people for a certain space, and then we need to understand that for that person to be credible within the larger group, there's some confidence construction that needs to happen. And we can say, "we've consulted our [business area's] Council of Wizards, and the 24 people that respond to these things right away have said we're good on all of these things except two issues, and we're working on them, and we'll be done tomorrow.

This is about assigning authority according to professional merit and acumen, and also about temporal expectations, which can also be a problem for group work. Creating for the "experts" a standard service level agreement of when a response or decision will be forthcoming is just as important as knowing the experts are working on the project. The change management model is about mapping out reasonably simple change events, unfortunately as we've tried to scale this model from just project work to our full organizational operational model, it has proved too unwieldy to deploy. The continuous complexity of the organization does not lend itself to running the entire organization through a single project based office, and so while the centralization of projects is being continuously tested, it works better when each group can mirror a model for continuous improvement that they translate into their professional values, instead of trying to fit all activities to an IT culturally based project format.

The next idea was regarding how many experts do we need, and where we may need them. We could have experts just in certain key areas, for example, within the corporate office according only to professional lines, or we could have individuals identified as experts throughout the Area.

Building this expertise concept need not necessarily be across [Areas of Expertise.] It can be intra-AOE. So, for example, every single market, we could have an expert [separately for each product]... But anybody in the market who has a question, talk to your own peer, who may be an expert on this; whereas you might be the expert on [another product.]

It needs to be easy to connect to experts, and connecting other team members and customers to experts is a skill we need to develop organizationally.

> There are certain people who are experts on something, and certain people who're
>
> experts on something else. You need to leverage off each other's strengths rather than
>
> saying, "I will try and make everyone an expert in everything," It'll never work. You need
>
> to connect that expert with the customer – or, get that customer to be able to very
>
> easily navigate through your system to reach that expert."

There was some concern them about creating more complexity due to needing to create a new

structure around defining expertise. A valid point is that when one has only one type of expert

at the table, they are reducing what Laudicina (2012) calls their "peripheral vision."

> How are we going to decide who our experts are and what they're expert at? There's a
>
> sales and service oriented expertise, but even internally in terms of enabling agile
>
> change, we need to have functional experts and change experts. And maybe every
>
> change needs to have a person who is very well steeped in the culture – or the impact of
>
> change on culture and the softer side of it. And before we launch a change, you get ten
>
> minutes in the room with the change person, to be told "you've missed three obvious
>
> questions around people,"… and you just deal with them.

This is an interesting point, as "change management" has become a bit of a dated

specialization. The popularity of creating a specific "change" professional group has lost it's

cache within management circles as it is seen as being actually highly ineffective at supporting

change effectively. Actual managing complexity is better dealt with by bringing both practical

professionals together with people focused professionals such as Human Resources, Learning

and Development, and Communications. It is not a matter of "change" per se, but rather one of

what different groups and individuals can bring to enable better complexity management.

> Whoever needs to be in the room to push the button, get them in the room...rather than taking 20 months to model out and test 3 things, taking hours to model out and test 25 things – that ability of a leader to not leave the room until the job's done.

The creation of a new culture of experts is seen as needing a test and growth oriented approach. This is supported by the work of Schein (2004) and Pont and e Oliveira (2014) McCann, Selsky,& Lee (2009) that not only are experts needing to be identified, but also that the environment needs to be one of test and growth to become innovative, agile and resilient. One of the speakers laid out a basic staged approach to the development of expertise within the organization.

> We need to start with what we have: here are the experts we have. Here are the experts we don't have. Here's our proxy for that." And decide to grow one; we'll change the world over time.

The systematic process that appeared to work very well was a large holistic project to make the new core operating system work better for the frontline staff; this project was called "Project Enable." How this worked according to one respondent, was that *our Project Enable people were trained very carefully in the process of involvement. They were [pulled from most front facing areas of the organization] and trained in this system. The rest of our organization was not.* Essentially the focus was created by bringing together large groups of frontline team members, determining what their biggest priorities were, and then bringing in key stakeholders to break the input down into manageable tasks. In the end there were over 200 projects completed for Project enable from late 2012 to late 2013 and beyond.

The conventional process approach is to actually have business stakeholders involved in the work effort, because you're always needing certain functional expertise to deliver certain mechanical things; but where we often fall down, I think, is having those stakeholders involved throughout the process to keep the end outcome aligned with the original intentions. So, we go out, survey a bunch of people, get a bunch of requirements. Then we sit in a room, and then six months later, "Ta-da! We're done. Aren't you happy? And in the meantime, that old problem is now a new, different problem: "And by the way, when we heard this, they meant this – not that."... That's what Enable did particularly well... keep the right folks involved all the way along, and so at the end of the day before you launched it, you'd already had the right people test it... And that was one of the great things... We want people testing it before it goes live, and we want them telling us that it's done, not someone in head office saying it's done.

Since the predominant completion of Project Enable in 2013, very few projects have been run this same way; we have slid back into a push method of running projects and communications. Some of the ideologies were embedded within teams, but weren't embedded overall.

One of the questions that I usually ask my team if we're contemplating something is, "Okay. What's somebody's excuse to be unhappy about this, and can we knock down the excuse by giving them an answer to a question they haven't even thought to ask yet?" or "can we avoid the issue by thinking ahead?" So sometimes that's a bit of a pain, because you end up doing more work, and you're a little slower rolling things out; but generally, when it lands, there's less objection. More people are willing to accept it and move on with the change.

Reviving the discipline, training, and rigor of the Project Enable style could be a method for enabling innovation and faster, more embedded change within ATB. It put a human face to problems that were previously seen as being external both to operational areas, and frontline areas. One of the key issues with Project Enable, though, was a lack of full inclusivity, and without this inclusivity, it led to some groups, as Laudicina (2012) would call it, "dialing out."

> There are a lot of people who will vouch for Enable, and a lot of people who will say, "I was never involved." [Significant teams] were completely shut off Enable – right from the beginning... So after a year,... we have now got[ten] them to look it all over again; because they just completely ignored a group of 200 people.

These group protective measures, while appearing fair within the groups affected, create a lack of holism within the organization. The role of expertise going forward could replace the need for rigid hierarchical ways of doing work, as well as helping groups become less homogenous and protectionist in their ideologies. Allowing for more cross pollination of ideas is held as one of the simplest and most effective ways to manage group formation issues and hone resiliency. Project Enable in and of itself was a highly successful example of collaboration across teams and areas of the business, but the focus and pace of the project was showcased as threatening and unsustainable. Since then the pace of projects has not actually slowed down, and has actually ramped further, but the cultural deal that was struck by the executive leadership was one based in change management, not continuous improvement. The ubiquitous statement from leadership was one for everyone to maintain the focus, and that Project Enable was of finite duration, and after that all other projects could move forward. This idea that change would be finite, and that focus was finite, is risky in a culture that is already predisposed to

stasis and lack of disciplined focus. Many groups were relieved when Project Enable was largely "completed" because leadership sold them not on the benefits of focused and collaborative work, but rather on the idea that once enable was done they could get back to their own projects and re-silo. Another ideology that made the format of the Project Enable difficult to scale was the cultural ideology within ATB that if an area is not consulted, they reject the outcomes because they feel their group was slighted and overlooked. Setting appropriate expectations for involvement, and rigorous systematic ways of project management with milestones, stakeholders and client involvement clearly delineated is one strategy that many organizations have found beneficial to solving the management by committee versus stakeholder involvement dilemma.

Conclusions

As leaders create and evaluate their formal and informal organizational artefacts and espoused beliefs and values of their organization, they also need to understand the role of underlying assumptions that they hold themselves and those that underpin the interventions they may choose to select to try and generate productivity. The role of leadership in transformational change needs to include effective development of group formation, and systems thinking to create organizational agility and resilience. Alvesson (2011) argues that knowledge is rooted in struggle between ambiguity and rhetoric, creating a very different discussion about content and roles than deterministic technical solutions. Schein (2004) has proposed methods of knowledge management that involve managing adaptive capacity both of individuals within the organization as well as teams. It cannot be underplayed the important

impact of allowing leaders a safe space to debate issues to work through cultural issues and

blind spots as learning needs to be a negotiated process.

The leaders within the focus group setting were able to work from the idea that their

espoused beliefs and values were working, to understanding that while the values may be

good, that there are significant underlying assumptions working below the surface that have

not been addressed that can act as significant barriers to the vision of the organization. In

order to better manage complexity and collaboration within the organization, the leaders

themselves need to become more comfortable with directed discourse, leaning on hierarchy to

help remove the barriers and open up the conversations between groups. This is a learned and

modeled behavior that some leaders are more experienced at. Project Enable as a way of doing

business was a successful model for group collaboration and focus, but the discipline required

to maintain the focus of the entire team on this project was significant. The narrative of change

management, that change is finite, actually proved to be the undoing of ensuring this

collaborative style of work became the norm at ATB. Creating and further developing the

systems to support accountability and expertise can assist with the successful dissemination of

information through managing content in a holistic user focused style instead of through

divided silos of content. While multi-platform digital experience is the norm for most

organizations, efforts need to be made to create rigor around cross-functional governance and

finding ways to unify the user experience. While many areas may need different technologies

to help team members do their work, some organizations have selected certain technologies

such as SharePoint and other intranet content management systems to act as the

technological backbone to help curate the multi-channel user experience. In order to gather more information, the focus group process could have been several sessions.

While two hours is generally a long focus group, there were opportunities for deeper dives into the topic areas from the focus group guide, and also new directions of inquiry that could be highly beneficial for the organization and the leaders to examine as a group. Multiple sessions would also allow for the participants to become more accustomed to the process of rhetoric and application of appreciative inquiry, as well as possible opportunities of bringing in outside leadership to further develop rhetorical practices. Subsequent studies using qualitative methods such as participant observation would address the limitations of this study by examining the stated perceptions of the participants with actual observed business practice. Questions that need further examination are how much should differentiated business areas pioneer away from the central enterprise, and also how much control and efficiencies of scale should the enterprise attempt when creativity and freedom are needed to create the innovation that drives the knowledge economy?

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Appendix A: Focus Group Questions

Question 1: What kind of organization do we want to be?
        Do we need transformational or foundational change? What does this mean?
        What kind of business environment are we in?
        Is what we're doing working? What are the quiet barriers?
        Can we trust technology to solve our current and future issues?

Question 2:
What are some of the unconscious assumptions that operate in our organization?
        How does work get done?
        Who makes decisions?
        What are the hierarchies and how do they work?
        Are these assumptions common to other financial institutions?
        What are some of the things that made us this way – historically, economically, and socially?

Question 3:
What level of group formation are we at?
        Are different groups within the organization at different levels?

Question 4:
What theories are informing the change in our organization now?
        How do these theories fit in the communications pyramid?

Question 5:
        What role should leadership play in shaping change?
        How can we balance agility and resiliency?
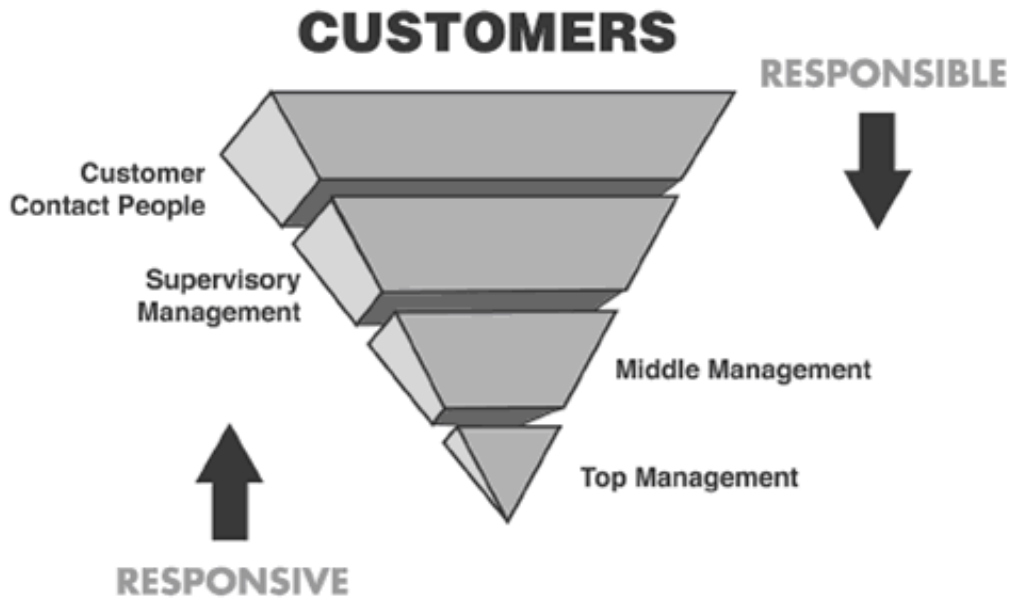
Question 6:
What is agility? What is resiliency?
        How can we build adaptive capacity?
                Individual – Team - Organization

Appendix B: D'Aprix Leadership Model

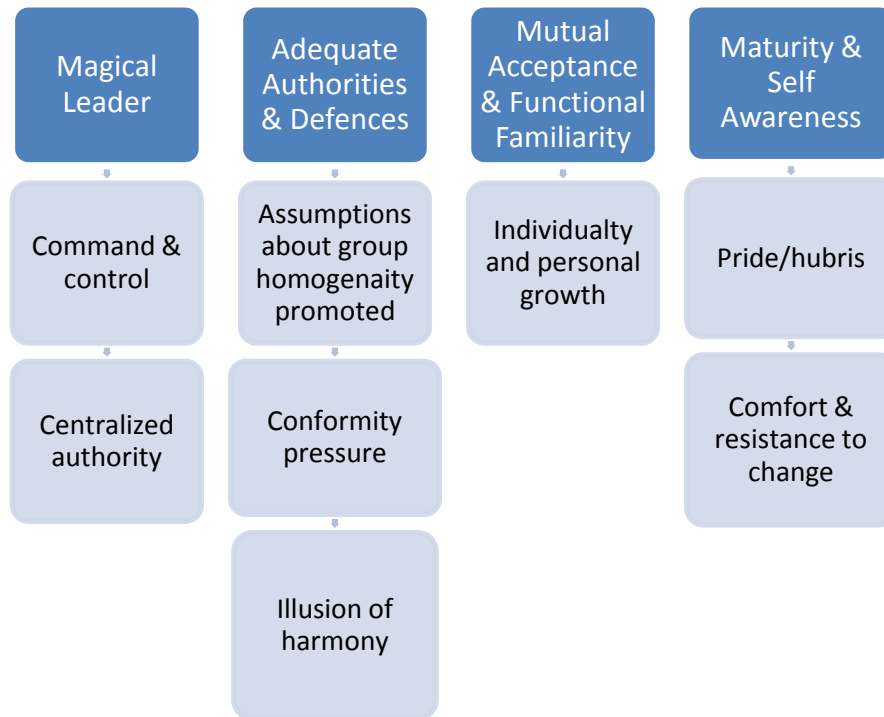From: D'Aprix, Roger, (1982). *Communicating for Productivity*. Canada: HarperCollins.

The manager's role is to clear away the obstacles to doing the job so that people can be as productive as possible. It is a role of service and support for the people who do the work, for the truth is that managers don't do the work. Managers facilitate work and get it done through others. Indeed, none of the productive work of any organization is done above the supervisory level. Under those circumstances, it is silly to have workers serving the needs of managers. It clearly must be the other way around.

Appendix C: Interpretation of Schein's Group Formation

Interpretation of:

Schein, E.H. (2004). *Organizational culture and leadership – 3rd Edition*. San Francisco, CA:

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Magical Leader	Adequate Authorities & Defences	Mutual Acceptance & Functional Familiarity	Maturity & Self Awareness
Command & control	Assumptions about group homogenaity promoted	Individualty and personal growth	Pride/hubris
Centralized authority	Conformity pressure		Comfort & resistance to change
	Illusion of harmony		

Group Formation:

Organizational evolution can remain 'stuck' at each level; it is up to leadership to help the organization

transition. Generally the culture prefers to remain at each level, and only through challenge can it

transition to more productive levels. There is a reality test followed by catharsis at every level.

1. **Magical Leader**

    a) Command & control

    b) Inefficient and hierarchical

    c) Self orientation

Reality test: authority model must be tested - individuals that are not conflicted with authority are able

to perceive and articulate issues and move group beyond this stage.

2. **Adequate Authority & Defenses**

    a) Homogeneity

    b) Illusion of harmony – strong internal controls in place - 'we all like each other'

    c) Group is an idealized object

Reality test: group fusion assumption must be tested: subtle disagreements and conflicts that occur in

attempts to take joint action, noticeable avoidance of confrontation, overt denial of the fact that some

members may not like each other, occasional eruptions of negative feelings. Test to come from group

members that are least conflicted about intimacy issues and therefore can have insight into what's

happening. The more hostile the environment feels for the group or vulnerable the group feels, the

more they cling to fusion assumptions.

3. **Mutual Acceptance & Functional Familiarity**

    a) Individuality becomes acceptable

    b) Personal growth becomes acceptable

    c) Productivity and adaptabilty

    d) Group mission & tasks – emotional focus on accomplishment, teamwork, maintaining

       working order

Reality test: the growth and promotion of key strategically aligned subcultures needs to be supported

and promoted by leadership in order to maintain cultural control as battles can develop between

'conservatives' and 'liberals' or 'radicals' who want to change the culture. This needs to be carefully

attended to and managed in order to maintain agility and resiliency instead of the strong cultural

affinity for stasis and stability. Sub-groups need to operate with enough respect between the groups to understand that reality and truth are subjective, and contextual.

4. **Maturity & Decline -** Self Awareness & Pride

   e) Survival and comfort

   f) Success and self righteousness

   g) Creativity and differences a threat

Reality test: as an organization moves into the mature stage it needs to be prepared to deeply examine what is needed to maintain the viability of the organization. In turbulent environments leaning on past successes to inform the current behaviors may not be effective. This is the stage when many organizations both find the most success, and also with the complacency of success begin the slide into irrelevance. These are the organizations that are toughest to change as so many of the staff can be indoctrinated into generations of leadership styles. This can make them resistant to change strategies that are not robust enough to understand the painful process of unlearning. The change mechanisms at this phase if the organization is not agile or resilient are generally the most difficult.

Appendix D: Interpretation of Schien's Fuzzy Vision Model

Schein, E.H. (2004). *Organizational Culture and Leadership – 3rd Edition*. San Francisco, CA:

John Wiley & Sons, Inc.

Turnaround – Fuzzy Vision Model: Turbulent Environment & Need for Continuous Adaptation

The learning process is one of survival anxiety being higher than learning anxiety – the group needs to

be less afraid of learning than they are of surviving in order to feel the need to change, and have the

capacity to change.

The process of learning is a process of:

1. Unfreezing/disconfirmation of value or behavior

2. Cognitive Restructuring of value or behavior

    a) testing & proving

3. Refreezing with new values/behaviors

Detached/mature team members are needed to help get groups moving – these are individuals that

are not conflicted about authority and are therefore able to perceive and articulate what is really going

on.

- Building Adaptive Capacity ("Toughness"): The amount and variety of resources and skills

  possessed and available for maintaining viability and growth relative to the requirements posed

  by the environment. This drives competitiveness and profitability.

- Agility - the capacity for: moving quickly, flexibly, and decisively in anticipating, initiating and

  taking advantage of opportunities and avoiding any negative consequences of change.

- Resiliency - the capacity for resisting, absorbing, and responding, even reinventing if required,

  in response to fast and/or disruptive change that cannot be avoided. It's about creating 'robust'

  systems and includes both common purpose as well as decisive actions to minimize impact of

  surprises.

Appendix E: Pont and e Oliveira's Innovation Barrier Model

Pont, C., e Oliveira, P. (2014). Adopting a market mindset: overcoming hidden barriers to

innovation. *Harvard Business Review*. Winter. 53-58.

RECOGNIZE THE TELL TALE SIGNS THAT WILL STYMIE YOUR FIRM'S ABILITY TO INNOVATE

	BARRIER	**SYMPTOM**	**REMEDY**
1. Knowing the market	• Overreliance on a single sense • "We already know it all" • Information is gathered but never processed	• "It is sales and marketing that should care about the market" • We know what we have to do, so why should we change or listen?" • "We have all the information and even produced a nice report about it."	• Encourage *everyone* in the organization not only to seek out as much relevant information as possible from within and beyond the company walls, but also to relay that information to the relevant parts of the organization • Employees need to understand that when they have contact with the market, they are receiving data that is always interesting
2. Understanding the market	• Information possessiveness • Over-centralization • Lack of coordination • Operational myopia	• "I prepared the information, so it's mine and mine alone to use." • "We usually don't mix with that team, but we'll set up a task force to look into it." • "It's hard to get things moving. There are too many people involved. It takes too long to get approval." • "The company has always made money from its daily operations, so what's the worry? Besides, it's only for big firms to worry about."	• Put the information together Embrace cross-divisional collaboration • Use informal as well as formal channels • Be prepared to forsake some centralized power structures • Increase internal openness Foster horizontal relationships • Interpret the information and understand what it implies

| **3. Using market information** | • Paying lip service Assuming someone else is doing it | • "Of course we use market information; it says so in our strategy."
• "We discuss market information in executive committee meetings all the time, so someone must be dealing with it." | • Use the information you have to make decisions
• Develop wisdom as to which market information/trends need to be followed and which need to be challenged. |

Appendix F: McCann, Selsky & Lee's Agility and Resiliency Building Model

McCann, J. Selsky, J. & Lee. J. (2009.) Agility and resiliency-building interventions: *People & Strategy.* 32(3), 44-52.

AGILITY- AND RESILIENCY-BUILDING INTERVENTIONS

?egjgw `sgjbgle8

i Qr npmtc qcl qc-k_igle qigjjq—`crrcpk_l_ec sl acpr_glrw_lb k`gesgw

Fmu 8 Sqc ecl_pgmqrmca_l _lb `sgjb fwnmfcqcq _lb k mbcjq `musru f_r}qf_nncl gjle, Ecr ncmnjc rmpc_b `pm bjw_lb cvnjmpcl cu fpc_qrmegrfcp

i Apc_rc_lb qsqr_gl_ mncllcqqrmnf_lec,

Fmu 8 Npmjbcfljl acjjpcw_bqc_lb a_cccpdglacrigcqrfcp gll mr_rgml_lb amlrgl susqjk npmtck cl r,

i Ccdggcl rlw_lb qsgck jw_aosgx_* sgjb*qf_pc_lb _nnjw ilmujcbec rmapgcsi_lppgmpgrgcq

Fmu 8 Apc_rcilmujcbec k_l_eck cl rnpmacqq*`sr amm k sl ga_rc ajc_gjw_lb amloqgrcl rlywfmrk rfcjmp _musr rfc`gg qgqscq. Dmpk_ d_qr-pcqpml qc rc_k s_pml`b gqqscq,

i Apc_rc_l_argml`gc qrfpmsefmsr rfc mpg_gx_rgml,

Fmu 9 Qcrajc_pnpgmpgrgcq_lb bc_bjgl cq_lb fmjb ncmnjc pcqpml qgjc dmpk ccrglerfcm,?tmgb n_p_jwqgqgl bcaqgml k_igle—umpi ml mrpc_k jgle_lb aj_pgdwgle pmjcq-pcqml qgjgscq_lb bcaqgml-k_igle npmacqq,

i Bctcjmp rfc _gigwdmpqsgak jwbcnjmwgle _lbrfcl pcbcnjmwge pcqmsparcq*r_jcn t_lb qjgjjq

Fmu 8 Jc_pl mrfcbec `crq_lb_tmpk mtcp-amk k gm k cl r, Apmqq-rp_gl_lb dcvosnrlywmtc ncmnjc_mml b rm `pm bcn jgjj-ilmujcbec `_qc,

.

Pcqggcl aw`sgjbgle8

* **Improve contingency planning and crisis response capabilities.**

Fmu 8 R_i c qdk sj_rgml q*pmjc-nj_wgle _lb cacl a_pmpnl_l_l gle qcpgmsqjw _lb k_ic acpr_gl rfc qigjjq_lb amk ncrcl agcqdmpsqpprgcq_lb aqrgcq _pc `sgjr,

* **Engage in strategic (enterprise-wide) risk assessment.**

Fmu 8 Rfgij_`musr_pc_qmdk mprggl_lb cvnmqspc_lb bctcjmp nj_lq rmnpm_argjcjwk_l_ecc_cf mbfpmrfem—fusqml rfe figf cpc-pggl* sl bcp-k_lgcebpcj_rgml qfgqi,

* **Learn to deal with the consequences of failed plans—"take the hit" and react appropriately.**

Fmu 8 K ligk gxcjmqpcq`w_tmpbgle ccoa_j_rgml _lbjc_plgle dpmk rfc npmacqqrm_l rgagn_rc gi`crssprfc l cvrrgk c,

* **Develop assets and talents both inside and outside the organization that can be drawn upon to** **k`gjgxc_pcqmnl qc,**

Fmu 8 ?jjgl_lcqs_lb p_rl cpcfgpq_pc aprgca_j_lb ccdc rm`c bctcjmpcb _lb qsqr_gn dc*u f cr fcpdjl_ a_gjl pmprfcpu gsc,

* **Make certain everyone has a deep, shared belief in your core values and beliefs.**

Fmu 8 Amk k sl ga_rc mpfcn _lb ojg acpccjw_musr rfc mpg_gx_rgml Ud tgggml_lb_ t_lscq*k_igle acpr_gl rfcqc_pc sl bcpqrmmb _lb rpsjw fmjb k_l gjg_lb_ t_lsc,

* **Be prepared to rethink and redesign yourself If required.**

Fmu 8 Bctcjm wnrrp_l qdmpk_rgml qigjjq—ilmu u f_r rtmpcqrpc tc rf_rgg n_pmdwmuspampc dpcn rgjy_lb u f_c_n l`cegcn sp