

Using Anthropology To Change The Way Business Is Run



I produced this webinar to talk to people about the kind of work that we do at [Simon Associates Management Consultants](#) to help organizations change.

Change is something that people hate. The brain hates it. The culture hates it. Organizations have a hard time implementing even good ideas. So let me take you through this and see if it helps you understand how a little anthropology could help you, in fact, successfully change your organization.

Our job is to develop high-performing organizations and we believe that they really thrive by unleashing the talent, passion and potential of people at work. There is wonderful research that I can share with you about how the nature of the organization itself can bring out the great ideas that people carry with them, and why that's so important. Because at the end of the day, you only have staff and they have all the opportunity to help you grow in different ways.

So in this workshop, my job is to help you understand first the pain and challenges of change and why we just hate to do it. And the second thing is the building blocks needed to change people. And I say this very intentionally: it's the way people see things, because we buy with the heart and how it feels. And the eyes and the heart are connected—buying is experiential.

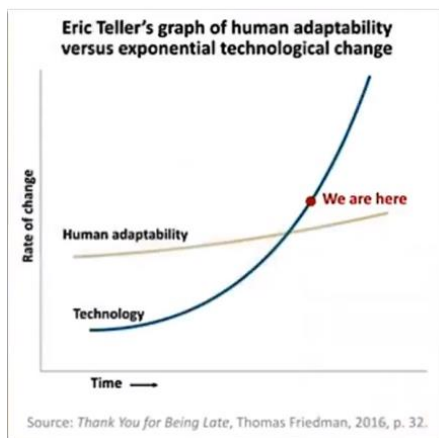
If in fact people can see it in fresh ways, they can think about it and then do it. Ultimately, this is about their culture, and culture isn't something that's outside of them—it's the essence of who they are.

I often get calls from HR directors and they say, "Help. I have a new CEO and he wants me to change the culture." And so I ask, "So what's the problem?" And the HR person typically says, "I don't really know what the culture is today." And my answer to that is, "Well, what would the new CEO like it to become?" And they'll say, "I'm not sure, but it isn't working now so a new culture is what we need to get it jump started."

Ahhh. Typically, they'll say a little bit of "more innovative, more results-oriented, more hard-driving." Different from whatever it was or what they think it is. And so today's talk is really about what else we could do for them to make this very difficult thing—culture change—succeed, because they don't really know where they're going or how to get there.

Many clients come to us because the times, they are changing, and they realize that they are, and they know they have to adapt. Their own clients are changing. There's consolidation in the business. There are new technologies coming on board. All kinds of things are causing the need for adaptation.

This chart is from Thomas Friedman's book, "[Thank You For Being Late](#)," which is a



wonderful read. As you can see, this is not new, but the shape of the rate of change is a big hockey stick. And a human's ability to adapt is much slower.

Remember, the method for taking bread and slicing it was developed 35 years before they were actually using it.

Wonder Bread took 35 years to convert a loaf of bread into sliced bread and then make it successful. Whether it was Post-It Notes or Purel or WD40: a new idea isn't by itself a success until people begin to understand how to use it, adapt to it, and change.

At [SAMC](#), our proprietary change process, called the [ChangeMap Process](#), is a change management strategy. What we believe is that you need to think backwards. And what, if we worked with you, could happen?

As your organization faces change, by analyzing the changes you want to make, visualizing them, seeing how the rest of your whole company is affected, you can begin to get ready for the changes and you can prepare your teams and your talent in advance and guide them through the transition.

Think of this as a play: your staff is all playing Macbeth really well. Tomorrow you want them to play Hamlet. They don't have a script, there's no rehearsal time, they don't know their roles, but somehow you want them to become skilled at being a whole new role-player on a new stage, performing a new play. It's not that easy. And just the idea that they can all be like Robert Redford and play many roles—they aren't sure how to do that.

Actors spend a lot of time learning their skills. How are you going to teach your people to change theirs? This is about the scariest place for people to be (in the midst of change). Scary because the most dangerous place for humans is betwixt and between; they don't like ambiguity. And so consequently, when they're betwixt and between, they are most uncomfortable.

Now why is change so challenging? When you are changing something and somebody's way of doing things, quite frankly it isn't a task, it is the essence of who they are. It's really embedded in their whole interactions with others. Humans are cultural creatures and it really makes a big difference.

We don't see things as they are—we see things as *we are*. Remember, when we're born we don't know much about anything, and as we grow up, every time we look in the mirror, we see beautiful. We see big and strong. We're not small and weak. And once we begin to develop that mind map of our reality, we sort everything else to conform to it.

We want to be with other people like us. We think that we are beautiful and we want others who look like us to join us.

We also are creatures of habit. While we think we have a lot of choice, and often we have the paradox of choice—too many choices—the most efficient way for us to get through the day is a well-honed habit. And so, while we think that we are starting each day fresh, if you look at your own day and the tasks you do in a week, they're pretty repetitive. I bet you even spend the same amount of money in the supermarket every week. We buy the same products and we're most comfortable not having to think about things, in part because your brain hates to change.

I often tell people that you hire us (SAMC) and then you hate us because the whole essence of what we're trying to do is help you see things with fresh eyes, but your brain is working hard to shut us down.

We also join others like us. Remember, we look in the mirror and we see ourselves in a particular way. We find others who look and sound and feel like us so we sound the same. We run in the same kinds of herds and we begin to think in the same way.

That comfort of the herd is our culture. So when you begin to think about changing your culture, you're changing the essence of who you are. And many companies now are trying to diversity their staff, but what you might look at is, at lunchtime, does that diversity sit together or do they find their own little cliques of people who are like them and turn into mini ghettos within the company itself? I say that gently because people are birds of a feather and they flock with others with whom they share common values, beliefs and personal identities.

Your culture is the way you think, act and interact. It's extremely important that you understand that when you're going to try and change it, you're changing the way you think, you act, and you interact.

Successful firms—research will show you—have cultures that reduce uncertainties. People come in every day, their habits take over, and they know what the social order is. They know what to expect. They know what their boss will say, what their customers need, what their jobs are. It creates great continuity. It's the core values and norms; it's what makes us human. It's a collective identity and a commitment to those things that we believe are valued by this organization. It has a vision for the future. It energizes forward movement.

But the wrong culture can take you down the wrong path, and cultures hate change. The values, beliefs and behaviors are “the way we do things here.” They're sacred. They're not

casual. They have the continuity and the consistency that you love and you have a clear sense of agreed upon values.

And so culture will eat up all the kinds of things you want to change. But the right culture can foster adaptability and innovation. It can provide a clear set of principles to follow when designing new strategies to deal with new situations. **But you have to have an innovative culture to do that.**

Innovative companies build a culture of idea generation, methods for testing prototypes, and approaches to engage around new methods. Interestingly, when you ask people to come up with new ideas and turn them into innovations, they may have the ideas but they may not have any way of turning them into innovations.

We worked with one major automobile manufacturer of car parts and they had missed the rise of aluminum in car manufacturing. They made their parts out of steel. And they had a very hard time seeing how to bring innovation into a 50-year-old company that was very successful at doing something that wasn't going to be needed anymore.

So what did they do? They made the head of engineering the head of innovation and he fired. He was just the wrong person. There are discoverers and deliverers and the cultures they work in are very different. So this great engineer who was terrific at delivering things was the wrong person to try and create an innovative culture.

We always hear about different departments having different sub-cultures. This is not crazy because it happens. Marketing is different from sales is different from manufacturing is different from finance and accounting. That's all well and good as long as there's something that's shared across the whole organization. Because that's the glue.

Now let's think about archetypes. IKEA is an everyman's culture. Jeep is an explorer's culture. Haagen-Dazs is a warm, friendly and care-giving culture. Cultures emerge that have shared traits and they are socially constructed attributes of an organization. So once you begin to build your story, it becomes the way you think, feel and behave.

Most of the time, we go about our daily lives unaware of what our culture is. That's why when those HR folks call and I ask, "What is your culture now?" they're not quite sure what that means. Sometimes they'll make up a story about their company culture but by and large, until it's challenged—say, by the CEO—or they experience a new one, which is helpful—they often remain oblivious.

Are cultures made overt and explicit through a framework or model? That's what I want to talk about. One last thought here: how people give meaning to daily life is the essential role of culture. It enables different people to share common values and beliefs, out of which come these repetitive behaviors, habits and clear expectations.

For you, the question is: Is your organization of today the right one for tomorrow?

So, I'll tell you about the [OCAI, the Organizational Cultural Assessment Instrument](#), and



how we diagnose and change a culture. The OCAI method was developed at the University of Michigan by Dr. Kim Cameron and Dr. Robert Quinn. They did tremendous research—and well over 10,000 companies have used their methodology—and found there were 4 dominant types of culture for organizations.

Think about the post office or a bank. The opposite of that is an adhocracy. That's a very creative culture. Entrepreneurial companies are very creative, ad hoc, lots of empowerment. The Clans are very collaborative; family firms usually have tons of family members

working there and collaboration is what they all aspire to. They really got lots done, unlike their market competitors who are so outwardly focused and looking at what the competition is doing and how to make their market share grow and how to deal with the customers aggressively.

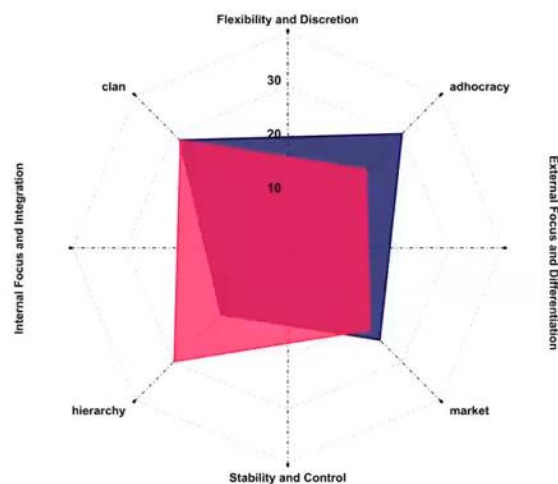
Now this is a very important model because you'll find that the competitors—market-driven companies full of commodities traders—are so good at making money that they can't collaborate much at all. And those firms that are great at collaborating often don't get anything done. And the entrepreneurs often need rules from the hierarchical Type As who manage them or they never get any results. There is no perfect culture but there are blends and balances for your company at the right time.

What came out of the work from Dr. Cameron and Dr. Quinn was a survey that companies can take and out of the survey will come a graph that will show you what your culture is today and what you would prefer it to be. It's free for just one of you, so I urge you to take the [OCAI-online.com](#) and see what it is that you're all about.

This is what you'll see when the chart is produced.

Your profile :

	NOW	PREFERRED
CLAN	28.17	28.33
ADHOCRACY	20.50	30.00
MARKET	21.50	24.17
HIERARCHY	29.83	17.50



You'll see what your profile is now, and you'll have 100 points to divide up around 6 different categories, and then what you would prefer it to be. In this particular case, employees wanted the **Clan** to stay pretty much the same, but they wanted much more

innovation, empowerment, enrichment and vision than they wanted controls and hierarchy. Those are significant differences. A little more market, we want still results. But clearly a top-down organization was ready for a change.

I'm going to let you see these briefly and go through them so you can hear what the differences are. An **Adhocracy** is creative; it focuses on the external, the competition, innovation. They're flexible, entrepreneurs. Very much encourage individual initiative, freedom, empowerment, creative problem-solving.

I'm working with one company now that wants to improve their creative problem-solving and empowerment. The glue is a commitment to experimentation and innovation. "How much?" is often the question. They want to be on the leading edge—not the bleeding edge—but they sure do want a little bit more innovation happening and they want to gain unique new products or services. An adhocracy encourages individual initiative and freedom. It's a dynamic entrepreneurial place to work.

We're working with one company that realizes they have so drowned out the creativity. They've got lots of rules and processes but no original thinking. They are controlling, hierarchical and process-driven—the rules rule. There's a lot of internal maintenance, for needs, for stability and control. They're excellent coordinators, organizers, efficient.

When I did the OCAI for family firms, the only ones that were really hierarchical and controlling were banks. And I said, "Oh, that's cool." Great at getting organized. Secure employment, predictability. Very formalized, structured places to work. Dependable delivery.

I also had a cement manufacturer in Mexico that really reflected this, but didn't want to stay this way. Very dependable delivery, smooth scheduling, low cost, inwardly focused. So inwardly focused and disciplined, in fact, that it wasn't getting the results it needed and couldn't hire any young people who wanted to work in a controlling hierarchy.

The next one is **Market Competitiveness**. This culture is about improving quality and cutting costs out of production—a lean company. Commodities traders but maybe a company that you're in as well. Externally focused, results-driven, hard drivers, producers, competitors, tough, and demanding. They really are goal-oriented. They focus on customers, competition, results. Emphasis is on winning. They want market share, penetration. They want to be the top of the rest. It's very, very based on reputation and success. Nothing wrong with it, but sometimes you need to do it collaboratively.

Collaboration is really useful unless it becomes the only thing you do. We had a transportation engineering firm as a client, and one of their offices was all into collaboration. They really cared about people. They just forgot to get anything done. So it's interesting when you get to the extreme what happens. Here you have fathers and mentors internally focused but flexible. This is involvement, engagement, lots of teamwork, very high commitment and solidarity. Sensitive to customers and a concern for people. Places a premium on teamwork, participation, and consensus.

Let me give you an illustration of how this might work. So take an accounting firm. Imagine your client and their taxes and their accountant. Now, they're both looking at what Watson is doing to H&R Block, uncovering every deduction available. Using Watson

and artificial intelligence, machine learning that's able to understand all 74,000 pages of the tax code, thousands of yearly tax law changes and deep insights from 600 million data points. The data's going to help you get a really good tax return, very low cost, highly precise, very easy to deliver.

On top of that, they're looking at compliance automation software, the answer to rising compliance costs. We were down in North Carolina at an accounting firm that specialized in compliance. But some of the Big Four are already coming up with automated solutions to compliance management. Their clients are looking to move to the cloud but they're not quite sure if it's secure or how to do it. But QuickBooks is going to insist on it.

Now the question of whether it's billing.com or QuickBooks Online has become very important. There are really important changes coming your way concerning how you're going to run your financials, and often your controller's getting older and is not the one who necessarily wants to do this.

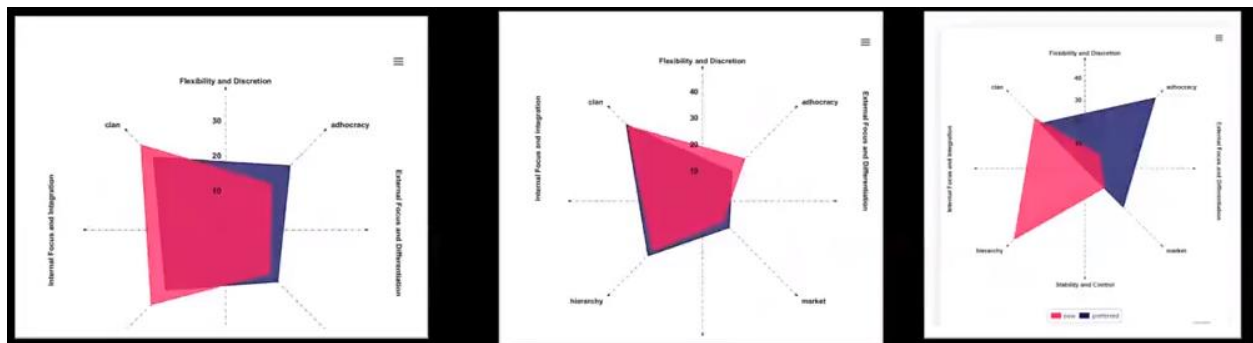
The clients are changing as well. Owners are growing older—67% of America's businesses are owned by Boomers. There's going to be huge consolidations as they cash out or they hand it off to the Gen Xs or Gen Ys.

There are lots of young entrepreneurs starting up, many of whom are women. Well-established firms are breaking apart, the staff or their clients are growing older and are not very adaptive to the new things that are coming, and the next generation is often taking over and wants to be with others just like them.

Then you have the Gen Ys. These are new, young accountants who are coming into the business, very ambitious, but who also have different styles, have grown up digital. They work differently. And then we have the gig economy. A third of American workers engage in freelancing. By 2020, 4 in 10—that's 91 million—Americans are going to be engaged in quick gigs. This is going to be a very different place for hiring people, for just-in-time work, and for the kind of people whom you're going to hire.

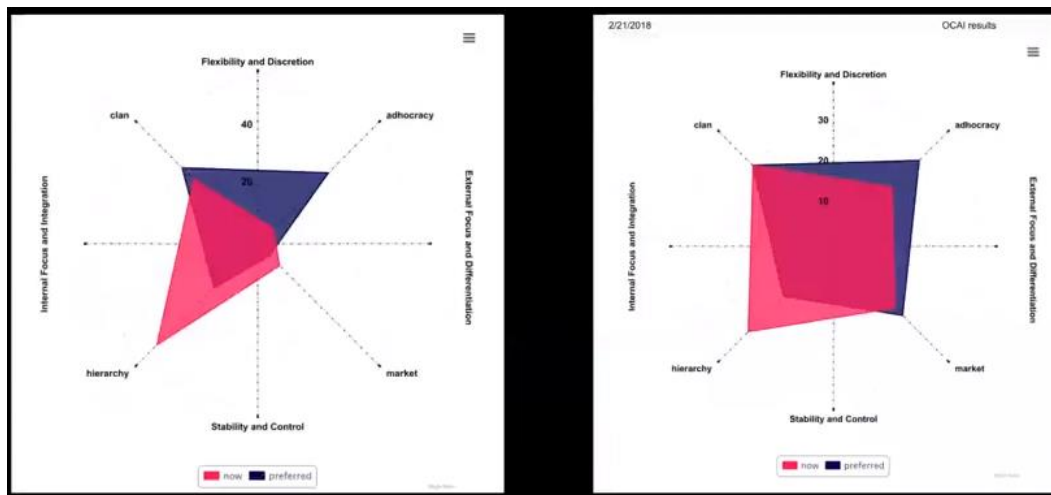
Now the question for our accounting client became: Can we retire as partners? Managers love working remotely but did their staff benefit from it? The rules of yesterday felt awkward but maybe that was what was needed. What kind of culture should this organization become? It's time for change, a new company culture. What did that mean?

Remember the four types. We had many of the accounting key leadership take the OCAI and we began to see some major changes. So I'll give you the top line here:



As you can see, on the left, one of the partners wanted to be more innovative and results-oriented, a little less collaborative and controlling, a little bit more outwardly focused. Another person actually wanted to become more structured. A third one, on the right, was one of the partners who really wanted to abandon all those rules and create self-starters. Here there was somebody who managed a new division who wanted much more collaboration, teamwork and innovation.

And then one of the other partners wanted a balance but still moving toward that adhocracy and the market.



The question became: What kind of culture did they really want? The firm's future leader saw something very powerful that was more innovative and empowering, but how was the staff going to actually do it?

What does this mean for change in your company?

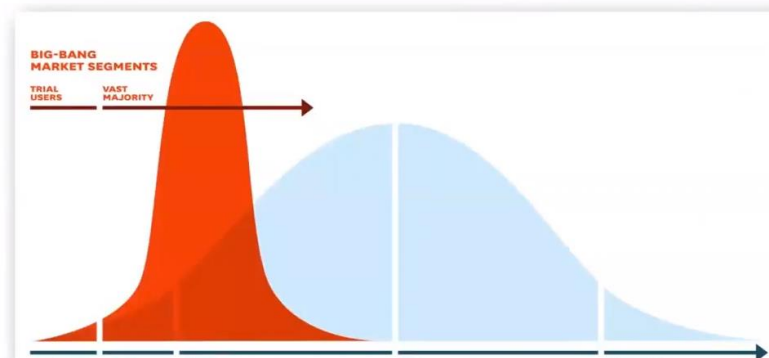
We're going through a time of great transformation, particularly in business. Remember, we went from mechanization to water power and steam power, and then to mass production and Henry Ford creating the assembly line, adding electricity and processes and steamrolling ways of getting it done. Then we had the computer and the internet. And now we have cyber-physical systems.

And all kinds of new things are coming: blockchain, artificial intelligence, robots. And each type of culture has helped us adapt, but the question now becomes: What does that mean for a company going forward today? What is this all going to do for you? Trust me, this is not about thinking harder or sitting longer in your office.

The real voyage of discovery consists not in seeking new landscapes but in having new eyes.

I cannot urge you enough to get out of your office and go see what's going on with your own customers. Spend time in their offices. Go out and watch non-customers doing things. See what you can learn even from hanging out at a baseball game or being a coach for a little league team.

Time of the Great Accelerator



This is the time of the great accelerator. That blue graph was the way things were before. Things emerged, they had a majority, then a late majority and then the laggards.

Blockbuster is one of my favorite examples. They could have owned Netflix. They didn't see them as anything other than a nuisance. Maybe you have a Blackberry. They had no idea what Apple was going to create. Why? The red is the world today. It's coming fast. We used to call it a fad. You emerge, you surge, and then you're purged, and then another one comes along.

This is not time to sit still. And the whole office that you're in, and all the people who are working with you, are probably looking more like the left, which is Zappos, versus the one on the right, which is the way it used to be.

Now with that in mind, if you want to take your talented staff and create a different type of organization, you're going to have to do something. I love this cartoon: What if we don't change at all...and something magical just happens?



When you're facing change, expect your people to throw up four hurdles: a cognitive hurdle, a motivational hurdle, a resource hurdle, and a political hurdle. They will tell you, "I will change my mind and my behaviors if I see my leaders, colleagues and staff behaving

differently." And they mirror each other. "I will change my mind and my behaviors if I understand what's being asked of me and it makes sense."

People seek congruence between what they believe and why they have to change. "Why" matters a lot. "I will change my mind and my behaviors if you develop my talent and skills and teach me new ways to do things." And "I will change my mind and my behaviors if I see you changing the organization structures, the way we do things, the rewards and recognition, and the way we celebrate achievements."

You need to change for me to believe I should as well. This comes out of [VitalSmarts](#), an award-winning process, well-documented and really well-researched, about exactly this stuff. There are two areas here: motivation and ability. So how do you change? You need a process.

What do you do? Process to change.

	MOTIVATION	ABILITY
PERSONAL	1. Make the Undesirable Desirable	2. Overinvest in skill building
SOCIAL	3. Harness peer pressure	4. Create social support
STRUCTURAL	5. Align rewards and assure accountability	6. Change the environment

On the first line, it's **Personal**: How do you motivate your workers by making the undesirable desirable? And then how do you give them the skills so they have the ability to change?

Social: How do you harness peer pressure so people see each other doing this and they begin to mimic them? And then how do you create the social support, the mentors, the coaches and the training that they can continue to work on and believe that they're doing better and better?

Structural: How do you align rewards and ensure accountability, which should not be underestimated? And then how do you change the environment and celebrate what's going on?

So let me go into this in some depth and then I'll wrap this up for you.

How do you make the undesirable desirable?

This is not about finding new people, but at times you're going to have to. This is about changing how people see, feel and think about things before they do it. And it all starts with a new story that can be shared and lived.

Remember, our brains create stories. The one people have for today and the habits that drive their day aren't the ones you want them to have tomorrow. So you have to visualize

a new story. Making the undesirable desirable, you better draw a big picture of it. Visualize it.

I often ask a client, "What would you like to see happen in 6 months or a year? Visualize it." Create a big picture physically, but begin to see this as something that's actually going to happen. What will you have? Will you have an innovation lab? Will you have an idea bank? How will you begin to build innovation skills so your people can take an idea and convert it into an execution? What does this mean for action?

And then develop their skills, relevant skills. This isn't sending them off to a class. This is getting a system in place where people can learn from each other and people can coach and mentor them so they can begin to be accountable for change.

Whys. Explain everything over and over again. When people know why the change is necessary, they stop resisting. Explaining why shows them that you care and you have esteem for them.

And then help them get ready for change. Get them anticipating it. Begin to have small preparation for it. Creating readiness may be essential because that way, they are positive about anticipating it instead of being resistant to it. Small wins are so helpful. It builds skills; it's like rehearsal time.

Some things are easy to change. Find those, change them, and celebrate how well they did to change them. It's very much practice time.

Then, don't forget, you need accountability. You want the entire team that works together to begin to have time frames for changes that they're going to make sure are complete.

Design the follow-up and the reporting. Don't let change be some day; it will never happen. If, in fact, you have a date, a time, by which you'll do something, 65-70% of them will get done. If you hope, it will never happen.

Then you need to over-communicate visually. This is about pictures. People see and understand better than what they hear. Words are fine but they process them in their current mind map, so they need something new. Share as much as you can regularly and as broadly as possible.

Over-determine success. If there's no information, remember, people will make up a story. They'll make up one where they're the hero, you're the problem, and they can tell you why it's not working. I don't know why, but they prefer to undermine you than help you succeed.

You need the right measures. Make sure you don't just stick to the old measures; you're going to have to think about what the new measures are to succeed. Define the gathering of data and a timeframe for assessing results often. If you're going to be a more collaborative, innovative organization, how will you know it's happening? How will you measure it? Every time somebody really is competitive by themselves without engaging some others, will you mark that in some way? It's a little like Weight Watchers: you've got to count and then take your weight at the end of the week.

Now you're going to hold a funeral. Sometimes it's important to stop something that people reflect on as being important. And this becomes very important: respect it,

celebrate the past, but also make the transition to the future. The right symbols really matter.

Now let's talk about symbols. Remember, humans are symbolic creatures. This is very important for them to have meaning and when you're thinking about changing your culture, you ought to think about changing the meaning of those things that you're going to celebrate, things that are important, that signify the new culture.

Think carefully about what will you create to recognize the small wins, the big wins, the new culture. What is it that's going to be more innovative or collaborative, that you're going to turn into a ritual of some kind? Humans love their rituals, their stories, and the symbolism. It isn't inconsequential; it's essential.

Now, what's equally important is that this is not a gig. So think about this: People find comfort in their culture. It's safe. They don't like ambiguity, betwixt and between. They love it even when they're frustrated by the way it works. You'll hear it all the time, "I really don't like the way it works but that's the way we do it here."

And their brains hate to change. So do their habits; it requires energy. They want you to go away; it's not fun. But if you can create a change map strategy, you may find that it is fun, and that it's enough fun so that you have a process to actually do it.

So to take you through the process briefly, as we conclude:



1. The first part is to visualize the future.

You're going to have to create an image, a story. Think of it as a movie set where you're going to play all kinds of new acting roles to put it together. But it's real important that you think about making the undesirable desirable. You want to be more innovative or results-oriented or more collaborative or you want to really create better processes to take the efficiency out. What do you want to see happen? How will you know it is happening?

2. Explain why over and over again.

Don't think that saying it once at a staff meeting is sufficient. It's necessary for people to hear the story over and over, as if you're marketing and advertising to them.

3. Plan small wins to learn and test the results because the sooner they can see it actually working. For example, let's talk about being more collaborative. We want to have

a whole different way of making decisions, really solving complex problems by engaging people from different departments. Not in silos, but across the different departments. And we even want to begin to have customers collaborate with us on the solutions so they buy into it and in fact, help us design it better. You better have something work like that and then see how it happens. Maybe you can coach and facilitate and train along the way. But think about all the steps to begin to motivate and develop the abilities of the people who you want to do this.

4. Peer pressure: this is about what others are doing.

They're going to watch. Figure out who the influential people are and engage them as leaders in the process. If not, they will be very happy to undermine it for you underneath. They will make sure they sabotage it because they will pretend that they're in control and you're not. Actually, they won't pretend; they will be. And you need to overcome that.

5. Over-communicate.

Celebrate, hold a funeral to say goodbye to past practices. Show respect: "You've been doing this for a long time; we respect the way you've done it but we need to say goodbye and start something new that we endorse."

6. And the metrics matter.

We're all data junkies. If you don't have good metrics, your people will figure out ways to really show that you're not doing a good job. If you have good metrics, it's going to be hard to argue with it.

I want to thank you for the opportunity of sharing with you what we do and how we do it when it comes to changing organizations.

There are other tools that we use to bring about change—Innovation Games, for example, are great fun and they allow us to help build lots of innovative ideas.

We often take people out to go culturally exploring, to spend a day in the life of a customer. But those are for other webinars that we'll share with you.

For today, this is more than enough for you to start to think about how perhaps we could help you and what that might mean in your culture change process.

Thanks again for paying attention. Bye bye now.