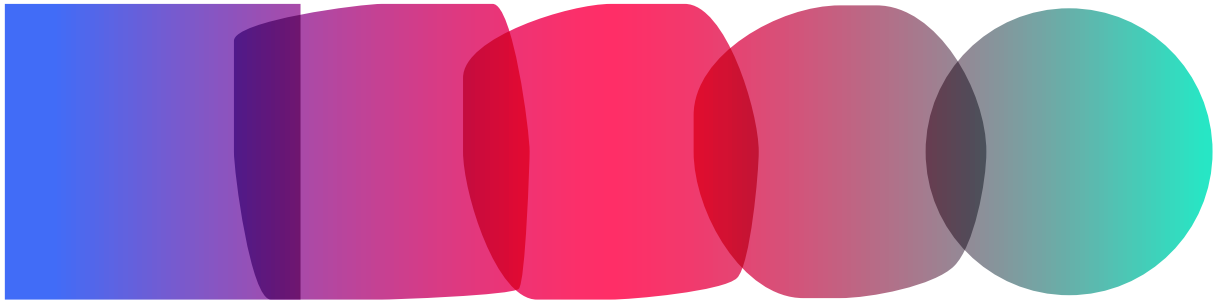


DESIGN MANAGEMENT:

**DECIPHERING AND TRANSFORMING
AN ORGANISATIONS CULTURE**



Bachelor's Thesis

Lucerne University of Applied Sciences

School of Art and Design

Bachelor of Arts in Product and Industrial Design
Specialization in Design Management

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Change

The theory behind this talks about how to manage psychological dynamics, such as anxieties, modes of learning and internalisation. The content is derived predominantly from Kotter's eight-stage process on leading transformational change and will be accompanied by relevant input from Edgar Schein's understanding. In order to remain within the realms of what is feasible for this three-month project, the content has been streamlined to satisfy the requirements of the chosen concept (For more in-depth information, please consult chapters 16 and 17 in Edgar Schein's *Organisational Culture and Leadership* and *Leading Change* by John P. Kotter).

Managing change

The following is an addaption of Kotter's eight steps to form the theoretical ofundation of the change process (Kotter, J. P. (1996, p. 21)).

Phase 1: unfreeze

- 1.1 Establishing a sense of urgency
- 1.2 Creating the guiding coalition
- 1.3 Developing a vision
- 1.4 Communicating the change vision

Phase 2: actual change

- 2.1 Applying in practice
- 2.2 Giving new meaning to rituals
- 2.3 Removing barriers

Stage 3: internalisation

- 3.1 Anchoring new approaches in the culture

Overview change plan

Figure 32 is a visual representation of the proposed action plan for reference along with the following pages that discuss the main tasks in more detail. The overall plan, that is based on the assumption that leadership is dysfunctional, was compiled for a period of three months and reviewed by Mr Bissailon (Bissailon, L., 2020b, remote interview). Remote Interview. Bolton mentioned that change operations should be limited to 90 days and are difficult to plan for past this time (Bolton, A., 2020b, remote interview).

Signalisation

Below, brief descriptions of the symbols used in the chart:

- B** Behavioural change (managing director)
- M** Mechanical change (guiding coalition, account managers and buyers)
- S** Symbolic change (team all)
Milestone
- !** High risk
- Subliminal communication of vision (managing director)
- Public communication of vision (guiding coalition)
- Monitor (guiding coalition)
- ◆** Review results (guiding coalition)
- Instant change required
- ◀** Continuos improvement required

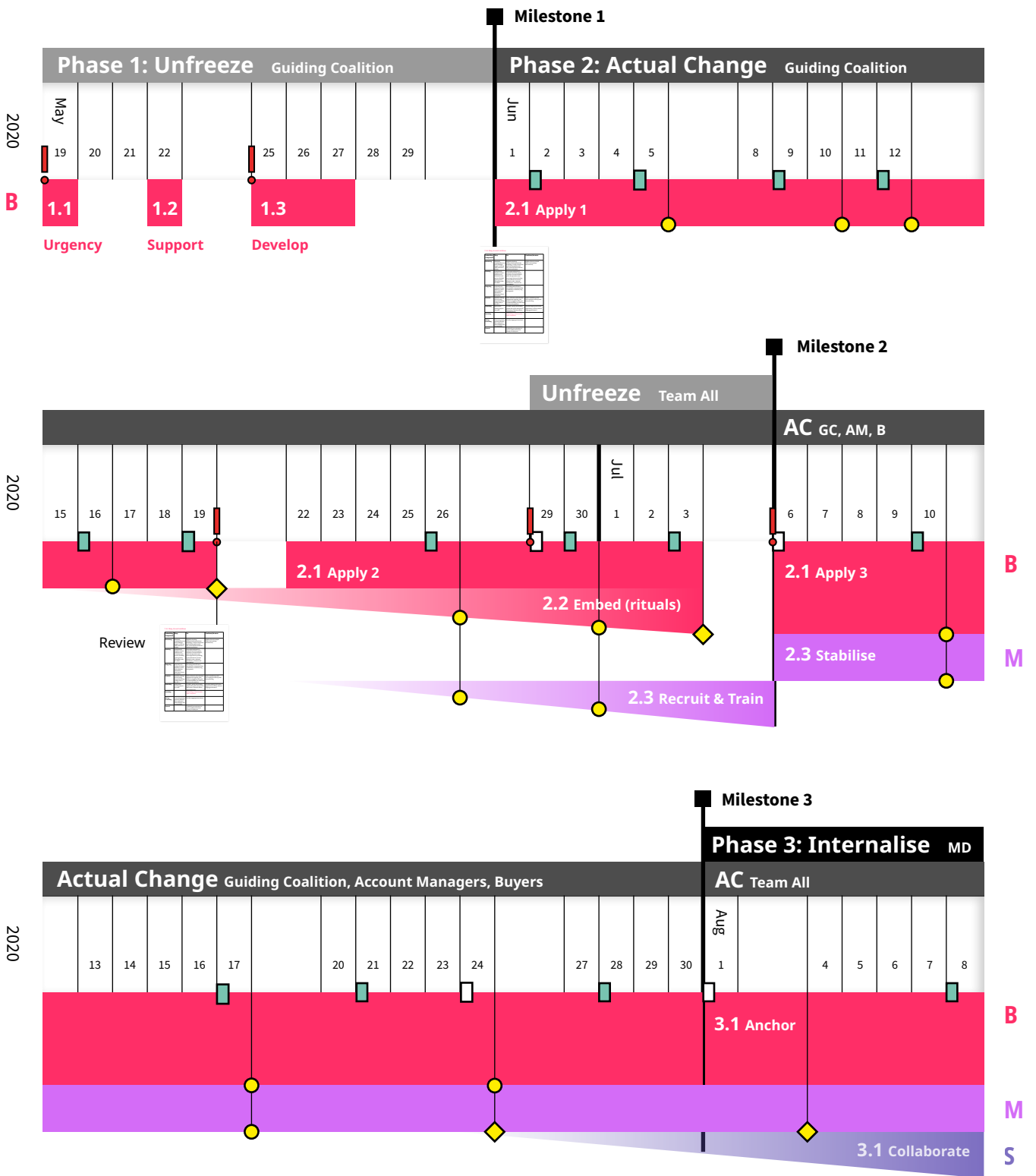


figure 32: Gantt chart project overview

Phase 1: unfreeze

Step 1.1: establishing a sense of urgency

This initial stage in the process has the intention to point out that there is clear potential for improvement in the organisation. A sense of urgency is to be created, also called survival anxiety. This is followed naturally by learning anxiety, which in turn generates resistance to change that arises due to fears of losing power, personal identity or group membership, for example. This resistance can be overcome by reducing any given learning anxieties. To do this, a positive vision, formal training, role models or support groups, to mention a few, can be introduced (Schein, E. H., & Schein, P. (2017: 16)).

Action

One-to-one meeting (19 May 2020).
Emphasising need and beneficial effect, reducing learning anxiety by proposing change plan and discussing next steps, receiving feedback on diagnosis (validity check) and handing over role as change leader.

Comments

The managing director is experiencing large amounts of anxiety as is due to legal issues with headquarters in Belgium and financial pressures arising from COVID-19 (Managing Director (2020)). A natural sense of urgency is already present. With him being so overloaded with work, reducing learning anxiety will be a challenge to overcome.

Practitioner

Oliver Latheron

Receiver

Managing Director

Desired Outcome

Create motivation to change

Potential risks

Denial and scapegoating, losing face

Step 1.2: creating the guiding coalition

Creating a guiding coalition means uniting people who have positions of power, expertise, credibility and leadership skills to drive change (Kotter, J. P. (1996, p. 57)). Both leadership and management skills are required. Seen as though the change is mainly personal to the leader, this will look slightly different.

Action

Allowing the MD time to reflect up until 22 May 2020. Unfreezing guiding coalition in a face-to-face meeting. Communicating desire to change and requesting support to do this. Decide whether coaching is needed.

Comments

The final proposal suggests that the managing director pairs up with the current operations manager and introduces an external consultant for expertise if necessary. The OM, as the research has shown, has a position of power, a good reputation in the business and must be empowered to take on a supporting role. This will be a much-needed pillar for the leader to practice his supervisory style.

How the efforts are received by the workforce can also be transmitted back by the designer, who has a good relationship with the leader and is also "in" with group secrets. This strategic step should be communicated carefully, is not a fixed suggestion and would need to be discussed within the team.

Furthermore, the head of finance is explicitly not included in the guiding coalition. The leader should begin to intrinsically steer away from monetary aspects. Again, the reasons behind this decision should be carefully talked through with the head of finance, making clear that any and all decisions are made with overall advancement in mind and that this is in no way personal.

Practitioner

Managing Director
(External Consultant if needed)

Receiver

Operations Manager

Head of Finance
(Designer)

Desired Outcome

Having trusted people on board to form a guiding coalition

Step 1.3: developing a vision

In order to create further psychological safety, a compelling positive vision must be in place that is widely held by the guiding coalition (Schein, E. H., & Schein, P. (2017, p. 328)). Kotter (1996) states that good visions are both "sensible to the head" and "appealing to the heart" (66).

Action

Developing personal vision and eventual strategic adaptations (25 - 27 May 2020).

Comments

In this stage of the change process, it is important that the leader creates a first draft for himself. Then, together with members of the guiding coalition, a clearer, non-negotiable direction to simplify many actions thereafter, can be modelled. He can use this to ask himself, as Kotter (1996) states, "is this in line with the vision?" (p. 69). The leader must come away from micromanagement, stopping forces that support the status quo and understand that, with an established direction, people need to be aligned, motivated and inspired. In doing this, the guiding coalition has to understand what it means for themselves to support the leader in this regard (more planning, organising and controlling). The team has to understand that as a newly independent entity, direction is key. Consider how this vision will affect customers, stakeholders and, most importantly, employees.

Stakeholders

Guiding Coalition (predominantly MD)

Desired Outcome

Creating a sense of direction

Potential risks

The vision is not shared equally amongst the members of the coalition.

Communicating the change vision

Kotter says:

"A sentence here, a paragraph there, two minutes in the middle of a meeting, five minutes at the end of a conversation, three quick references in a speech – collectively, these brief mentions can add up to a massive amount of useful communication" (Kotter, J. P. (1996, p. 95)).

Action

Little communication. Walk the talk.

Comments

The project suggests that the guiding coalition does not arrange an open announcement of the changes. This should occur in a more subliminal, incremental manner.

The leader should practice his new style first, without having additional pressure from a supposed "major transformation".

A Management Skills Assessment Instrument (MSAI), as suggested by Cameron and Quinn, would be unhelpful at this point, because it may further increase learning anxiety (Cameron, K. S., & Quinn, R. E. (2011, p. 194)). The managing director needs informed suggestions on what to start doing, what to stop and what to do more of. This will be tackled in stage 2.

Stakeholders

Guiding Coalition (predominantly MD)

Phase 2: actual change

Embedding Component	Stop	Do	Continue/do more
Monitoring	Randomly sampling Short-run tactical budget targets, incoming offers and active clients	Regularly checking subunit workloads and task feasibility, as well as hand-over and briefing qualities with OM, communication between veterans and interns	Quality of service output (offers and webshop maintenance)
Reacting	to interpersonal disputes, human problems and existential emergencies (feelable), ignoring issues (sweeping under the table)	Encourage employees to confront each other openly, risk takers, forward thinkers, push idea generators and encourage visionary thinking, 2 years ahead not 1 month ahead, be calm, collected and decisive, communicate expectations	-
Budgeting	Inherently connecting monetary stability or profit with employee satisfaction	Entrusting head of finance, searching for components that contribute to controlled, long term growth	-
Presence	Sporadic running around, being busy means being hidden away in the office	Visit individual departments regularly, take breaks to engage socially, give constant feedback, be active and present, ask questions	Make it a habit to go and visit employees and say hello every morning
Rewarding	Money wins, running projects via email	In public, openly and verbally, people who go the extra mile to help others, collective efforts, good hand-overs,	Shoulder tapping and honest appreciation, actively acknowledging performance
Punishing	-	Punish bad briefings, verbal assaults, email complaints	-
Hiring/ Promoting	Connecting strong minded individualistic performers with reliability and accountability	Hire socially engaging team players	-
General	-	Feedback from customers on service quality to hand out directly to employees	-
	Badly researched article suggestions	Spend more time analysing current service quality before introducing more complexity, quality over quantity	-

table 3: MD behavioral suggestions

Phase 1 has been discussed. At this point in the change plan, the proposal steers away from Kotters theory and more towards Schein's understanding.

Step 2.1: apply 1, 2 and 3

Armed with the informed actions resulting from this project, the leader must try and become a role model and induce the new way of working in the workforce. At the same time, the MD must be aware that even though his actions are clearly defined, others may choose to "scan and find [her] way of doing things" (Schein, E. H., & Schein, P. (2017, p. 331)).

B Action

Stop, do and continue.

The specific recommendations (see table 3) for the managing director should be performed during three testing phases (apply 1,2 and 3) over an initial period from 1 June to 17 July 2020.

- ◆ After each phase, the guiding coalition should review potential benefits and make necessary alterations. This serves to avoid pathology (Schein, E. H., & Schein, P. (2017, p. 335))

Comments

The leader should focus on building his self-trust first. The foundation of this is credibility. Therefore, he should only make commitments to himself that he can keep (integrity), understand his vision accurately (intent), be honest to himself whether he can perform the *do, stop and continue* (capability) and be responsible for his results. In doing this, relationship trust may grow between him and his employees and ripple throughout the business.

Secondly, the MD should value the core principle of the 13 behaviours that describe relationship trust: consistency. Successful leaders worldwide act in a consistent manner. Of these 13 behaviours, the MD should focus on *confronting reality* (surfacing troublesome topics), *being transparent* (to create value beyond decision-making processes), *delivering results* (via the informed actions) and *listening first* (in a calm and collected manner). A family organisation is covered by these same principles of

trust (Covey, S. M. R. (2016), Davey, L. (2018)).

- Thirdly, the MD, together with the members of the guiding coalition, should regularly consider whether further counselling or coaching programmes are needed.

Additionally, some culture carriers of the older ways of working may need to be removed in the process (Schein, E. H., & Schein, P. (2017, p. 338)).

Furthermore, the guiding coalition must begin to introduce further aligning alterations, as hinted in the following steps, that stabilise the culture.

Practitioner

Managing Director

Receiver

Workforce
(predominantly front- and back-office)

Desired outcome

Start owning a new culture and align better with employee expectations for the future.

Value generation

Practicing a supervisory style that contributes to personal growth of the MD and is more socially sustainable (organisation-wide trust) in that it may create better guidance and a healthier working climate. Broader societal value outside the business is not given.

Potential risks

- Internalisation may be sacrificed as the more inward facing supervisory style does not produce inherent financial benefits to begin with.

Step 2.2: giving new meaning to rituals

The meetings on Monday mornings should be kept personal. Avoid talking one-way and leave people to engage in conversation. Save operation-related matters for another time. Introduce additional gatherings on Fridays later in the day to talk about how the week went.

Stop performing birthday congratulations in people's office spaces. Allow members to go by when they see fit and avoid forcing people from their seats to come together. Promote natural human engagement or avoidance.

Consider introducing team gatherings throughout the week to exchange ideas and make work more fluid in a collective way. Encourage team members from across divisions to help each other.

Besides altering supervisory style, to further allow for new ways of working to be internalised, structural, systemic and skill-related barriers must be removed that otherwise undermine empowerment (Kotter, J. P. (1996, p. 102)).

The following suggestions to consider as next steps are deterministic alterations, touching on what was drawn up in concepts one and two, that will need to be tackled in order for the company to fully overcome its survival challenges.

- It is important that the guiding coalition now introduces two-way communication with the workforce and considers:
 - how to communicate what (unfreeze all)
 - how to gain an understanding of the actual change

Step 2.3: removing barriers via recruitment

Type

- **M** Mechanical, soft variant

Action

Search and acquire skilled front-office managerial position as a *liaison role*, parallel to OM, starting 22 June 2020.

Actively take on responsibility of aggressive scouting, defining and checking hand-over

quality, cross-divisional communication with back-end OM (starting 6 June 2020).

Comments

This action intends to relieve the MD of the task of getting new customers, so that he is less preoccupied and can focus on leading the organisation. The leader should consciously use this opportunity to show the workforce that an agent is being recruited who is a strong team player and open communicator to better link front- and back-office employees. Unlike the former head of marketing, this person does not try to monitor progress, but defines workflows and enables mutual adjustment via fewer agents. It is important that this person is properly introduced to account managers and buyers. A dedicated workshop with both sides of the business would help involve the agent as a new line of supervision. This person should only claim authority when tension rises (hierarchy for convenience) together with the OM, but should not be introduced into the guiding coalition until he or she is a "trusted family member". However, he or she should be in a position to be an objectively participating change agent.

Practitioner

Guiding Coalition

Receiver

MD, OM, AM, B, customers indirectly

Value generation

Initially, the suggestion may help balance lines of authority, reduce subunit orientation, increase centralisation and mutual adjustment.

In time, the goal is strive for continuous improvement and consistency of outputs, reduce time to market, increase business scalability and align secondary mechanisms with newly established primary mechanisms. The value in this proposal extends to increased market trust.

Potential risks

- Experienced account managers and buyers may reject the new role and see him or her as

a "poop-checker" instead of contributor. An additional link in the system may prove to increase task complexity and reduce operational fluidity. The indirect cost-benefit may not be relatable for all.

Phase 3: Internalisation

Step 3.1: anchoring new approaches

Type

□ S Symbolic, soft variant

Action

Joint group activity to decide on new entrance layout (starting 1 August 2020).

Comments

The managing director should use this workshop style situation to scan and reflect on the way people interact with one another. This is a chance to engage in discussions with employees and receive feedback. Kotter explains that internalisation requires a lot of talk (Kotter, J. P. (1996, p. 157)).

Value generation

The proposal could pose a symbolic short-term win for the leader and provide the workforce with the possibility to experience a sense of new direction.