Abstract
Organizational culture and organizational change are two terms that are often studied and researched separately, however they are not often studied together. This paper discusses both organizational culture and organizational change apart from one another and also how they impact one another inside organizations. A case study organization was used to gather information on culture and change from senior leaders and also staff level employees. This data is compared and contrasted between the employee levels and also to relevant current research on culture and change. Based on this research and the interviews and focus groups used in the case study analysis, implications and recommendations are made to the case study organization on how to better implement changes by understanding the corporate culture, and vice versa.

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First Supervisor
Seth Silver

Second Supervisor
Timothy Franz

Third Supervisor
Suzanne Sefton-Silver

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We approve this 590 Thesis project for Scott A Baldwin:

Seth Silver, Ed.D.,
Assistant Professor of GHRD Program at St. John Fisher College.

Timothy Franz, Ph.D.,
HRD Program Director & Associate Professor of Psychology at St. John Fisher College.

Suzanne Stefon-Silver, Ph.D.
Child Psychology, Psychologist
Organizational culture and organizational change are two terms that are often studied and researched separately, however they are not often studied together. This paper discusses both organizational culture and organizational change apart from one another and also how they impact one another inside organizations. A case study organization was used to gather information on culture and change from senior leaders and also staff level employees. This data is compared and contrasted between the employee levels and also to relevant current research on culture and change. Based on this research and the interviews and focus groups used in the case study analysis, implications and recommendations are made to the case study organization on how to better implement changes by understanding the corporate culture, and vice versa.
Dedication

This project is dedicated to my loving wife

and our beautiful new baby boy. Thank

you for putting up with me during these

last couple years, I cannot thank you enough.
Acknowledgments

I would like to acknowledge all of the GHRD professors and teachers at St. John Fisher College.

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Chapter 1

The Interaction of Organizational Culture and Change

Overview of Problem

Change is a constant factor that many organizations encounter at some point throughout their existence. Organizational change will almost always have an effect on the culture of the organization, whether it is relatively small or large and multinational. While individuals may be aware of the different effects that change can have on the organization, they are not always conscious of the impact of the change on the culture of the organization; or the impact that the culture can have on the success or failure of change.

A simple definition of organizational culture is that the culture holds systems, structures, and behaviors in place within an organization (Fiol & O’Connor, 2006). Organizational culture is reflected in the assumptions, values, norms, and beliefs that serve as the foundation for how things are done within each organization. With so much change occurring within organizations today, it is imperative that organizational leadership study and understand the culture before enacting change. Often, in order to implement change within a company, one must also change or alter the current culture.

A key reason for taking culture into account when discussing or implementing change is that if the culture of the organization does not integrate well with the policies of the company, then these policies will be ineffective. More importantly, if these policies are changed without seeing how the effects of the change will impact culture, then this researcher believes that the change is more likely to fail then succeed. Again, with the
amount of changes today’s organizations go through it seems impossible to think that change can succeed without support of that organization’s culture.

Another approach is that the culture can be changed to fit the policies or procedures of the organization. The challenge then becomes to discover which is the better fit for each specific organization because either way you look at it, the culture and the change are going to affect one another. The goal is to make this impact positive for both the culture and the change and not detrimental to the organization as a whole.

*Problem Statement*

There is quite a bit of current and past literature available (e.g. Schein, 1988, 1994; Kotter, 1993) on organizational culture and on organizational change separately. For example, Schein (1988, 1994) believes that there are strong relationships between organizational culture and leadership. Kotter (1993) discusses how organizational culture can affect performance. Dyck, Maitlis, Mauws & Lawrence (2006) discuss the continuity of change throughout today’s organizations and the effects change can have within the organizations.

However, there is not as much research available as to the effects that one has on the other. The more research that can be done on the impact that organizational culture and change have on each other, the better equipped organizations may be to deal with the cause and effect of change and culture.

The Safeco Corporation is currently undergoing a number of organizational changes throughout all facets of the company. These ongoing changes raise a number of relevant questions, for example: Did Safeco Corporation address the effects that the changes would have on the culture and subcultures of the company? Did they decide it
was best to tailor the changes to fit with the current culture or change the culture to fit the need for change? Hence, there is a need for a study that explores what Safeco did to prepare for the changes, and what Safeco can do to effectively implement these changes.

*Purpose of Study*

The purpose of this qualitative study is to determine how the organizational culture of Safeco Corporation is viewed by its members and to determine how the culture affected, and was affected by, the changes taking place within the organization. This data was then compared to the current research on these topics to see if Safeco Corporation took the necessary steps to ensure that the culture was accepting of the changes; and also to see if the changes fit in with the current culture or if the culture of the organization needs to be changed. If the culture needed to be changed, whether or not Safeco Corporation took the necessary steps to change the culture, will also be explored.

This study sheds light onto the impact that change and organizational culture have on one another. It discusses how organizations should deal with cultures and subcultures when it comes to making changes, and gives insight into how some organizations have dealt with culture during times of change. This information is then compared to the data on Safeco Corporation, and recommendations are given as to possible ways the company can better address the problems that can arise when trying to implement change on the organization or the culture itself.
Research Questions

Literature Review:

1. What is organizational culture?
2. How can the process of change affect organizational culture?
3. How can organizational culture affect the process of change?
4. What can organizations do to ensure that the culture will accept the changes being made?
5. What should organizations do if they determine a change in the culture is necessary?
6. What are some best practices when dealing with culture and change?

Case Study of Safeco Corporation:

1. What is the culture of Safeco Corporation, as perceived by the employees?
2. What is the culture of Safeco Corporation, as perceived by senior leadership?
3. How do these perceptions compare?
4. What has Safeco done to assess the impact of culture on implementing change?
5. What could have been done differently? What recommendations can be made based on data collected?

Significance of Study

This study is important on a number of different levels. First, this study offers further insight into the impact that organizational change and organizational culture have on each other. This can be used as a guide for organizations that are trying to implement change, yet are unaware of how the change will mesh with the culture. This study may
help the organizations come to a decision as to whether or not the change processes should be altered to fit the culture, or if the culture of the organization itself needs significant change.

Safeco Corporation may also benefit from this study. This project gives Safeco a way to see how their actions measure up with the research on these issues and with other organizations as well. Safeco can get a glimpse into any differences or similarities in how the senior leaders view the corporate culture and how staff employees in Rochester, NY view the culture. Safeco can use the results of this study to compare their success rate with their change blueprints to see if anything needs to be done differently now, in the future, or if something should have been done differently in the past. Safeco can only benefit from this study.

Organizations may also benefit from this study. Some corporations are completely unaware of the kind of message their culture can give to individuals both inside and outside the company. The organization may be putting changes into place that they believe will benefit the organization and may not see how it is harming the internal culture. The organization could be loosing the trust of its internal and external stakeholders without even knowing it.

HRD professionals may benefit from this analysis as they may learn from a study on how a specific organization is handling culture and change. HRD practitioners can use the results to assess the successes and failures of the company. HRD professionals could then apply what was learned to other companies they may be working with so these organizations don’t make the same mistakes as others have.
Future researchers may use this project as a spring board for further research on both culture and change and how they interact. Researchers will be able to use this theme analysis to help identify issues within other organizations or with the direction current research is taking on these topics.

*Conceptual Framework*

A key reference in this study will be Schein (1984; 1992). Schein describes organizational culture as “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (p.3). Schein also breaks down his definition into different levels, and describes in detail how each ‘part’ of the definition relates to organizational culture. Schein also believes that leadership and organizational culture have tremendous impacts on one another and are intertwined with one another. This is important as an organization needs a leader to help transition the company through change. And this relationship between culture and leadership shows how important a culture is in either accepting or rejecting change.

Denison (1993; 2003) believed that effective organizations have a consistent culture. The group members consistently act in accordance to the organization’s culture. The member’s consistent actions also help develop the culture of the organization. Denison also stated that an organization can have a number of different cultures within different groups, some of which must be adaptable to the changing environment and the changing groups.
Another key source will be Kotter (1992). Kotter believed that performance and culture were related and affected one another. Kotter believed that strong cultures bred positive performance. Kotter also believed that strong cultures tended to motivate employees and also create a positive work environment. These concepts have strong implications on how culture and change can affect one another. If a strong culture tends to bring the best out of the employees within the culture, then changing this culture could have a important impact on employee performance.

These definitions of organizational culture along with others will be looked at in detail as well as how change interweaves within these different views on culture. This project will discuss what important factors need to be taken into consideration when trying to change a culture, and even before that, when do you know that a culture needs to be changed within the organization. Some of the more important areas of research for this study are going to be what culture is, how culture interacts with organizational change, when should you change the culture of an organization, guidelines for changing corporate culture, and suggestions for dealing with change and culture. Research will also point out that the way you view the culture will have an impact on how you should go about implementing change. Different cultures cannot be changed in the same ways.

Definition of key terms

1. Organizational Culture

   - "organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked
well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (p.3).


2. Organizational Change

- To transform or convert an organization or its processes.


3. Senior Leadership

- Higher level employees that focus on the development and deployment of vision, mission, and strategy as well as the creation of a motivated workforce.


4. Staff employees

- Those that are below first level management and work for another in return for financial or other compensation.


5. Supervisors

- An employee of a company who supervises other employees of the organization.
Chapter 2

Literature Review

A vast array of research exists on organizational culture and on organizational change, separately. There are fewer studies however that analyze the impact that organizational culture and change can have on one another. A review of the literature is discussed in this chapter.

*What is Organizational Culture and how does it Impact Organizational Success?*

Organizational culture is not a topic that is new to the realm of HRD or to organizations. To begin a discussion on organizational culture one should start with the numerous definitions of the terms. The definitions of the terms differ more on context and relationships then on exactly what organizational culture is.

According to Schein (1984), organizational culture is the key to organizational excellence. Schein states that "organizational culture is the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems" (p.3). While Schein spent a great amount of time researching and discussing organizational culture, he also focused a lot on the interactions of organizational culture and leadership. This is a major reason why Schein’s research was different from other researchers; the context of organizational culture and leadership.

Schein (1992) believed that leadership and culture were so connected that it is nearly impossible to sufficiently address one without the other. Schein believed that
leadership and culture were two sides of the same coin. Schein believed that leaders were bred from the culture of the organization. That is, the culture chooses who the leaders will be. With regards to culture and change, excelling in culture formation or leadership requires knowledge of how the culture was originally formed and has evolved since formation. Given this perspective, in order to change a culture, a leader must have direct knowledge of how the culture came about and how the culture needs to evolve in order to be changed. Since the leader came from within the culture of the organization, this could both inhibit and allow for organizational change to occur. This will be discussed in more detail further into this project.

Schein (1992) also researched the aspects of culture and how cultures blossom within organizations. Schein wrote that it is only after the organization’s basic assumptions are learned, shared, reinforced, and successfully tested that paradigms of culture will truly form. These paradigms impact how members of the culture perceive and interact within the organization. When combining culture and leadership, leaders will be able to manage the culture and members of the culture once these paradigms become patterned and accepted. It makes sense then to say that in order to initiate change within a culture, or even to change the culture itself, the organization and its leaders must study the basic assumptions which underlie these paradigms. Only then can change initiatives break these assumptions and allow change to occur.

Denison (1993; 2003) believes that effective organizations have a consistent culture. Denison felt that culture is a complex phenomenon, ranging from underlying beliefs and assumptions to visible structures and practices. Denison believes that the group members or the organization consistently act in accordance to the organization’s
culture. The member’s consistent actions also help develop the culture of the organization. This is similar to Schein’s (1992) coin concept of culture and leadership. Denison thinks that not only does the culture cause the actions of the members, but also that the actions of the members can form or alter the culture of the organization.

Denison (1993) also states that an organization can have a number of different cultures within different groups, some of which must be adaptable to the changing environment and the changing groups. The requirement of these subcultures to be adaptable can also apply to the overall culture of the company. This overall culture must be cognizant of all of the different groups and levels within the organizational structure. Without understanding all of the aspects of the cultures within the organization, how can change be implemented and furthermore, how can change be successful? This is a key question that this project will focus on in chapter five.

Denison’s (1993) research discovered what he considers to be four cultural traits of successful organizations. These traits are involvement, consistency, adaptability, and organizational mission. Denison determined that organizations that involve all levels of the company and get full and complete organizational buy-in from all these levels will breed a strong culture. Effective organizations tend to have cultures that are highly consistent and integrated throughout the company (Davenport, 1993). Denison (1993) felt that when dealing with a culture’s adaptability, there seems to be a struggle between internal integration and external adaptation, with neither being a clear cut winner. Denison stated that the mission of the organization is extremely important because as the mission of the organization changes, the culture within that organization will have to change as well. If the culture and mission do not change in the same direction, then there
will be possible roadblocks to implementing the changes associated with the new mission.

As previously noted, a lot of the different researchers of organizational culture do not differ so much on the definition of what culture is, but rather they differ on the context of their focus. Kotter (1992) believes that performance and culture were highly related and vastly affected one another. Kotter believes that strong cultures lead to positive and strong performance. Kotter also believes that strong cultures tend to motivate employees and create a positive work environment.

Kotter’s (1992) opinion is that in order to be a high performing group, team, sector, or organization, the organization must foster a culture that promotes high performance. Combining this thinking with Denison and Mishra’s (1993) four traits of strong cultures, the organization’s culture should have high levels of involvement, consistency, adaptability, and a strong organizational mission. If these traits are strong within the organization, it will foster a strong culture within the company, and this strong culture would then lead to positive and high performing employees.

Also, if a strong culture tends to motivate employees to perform better as Kotter (1992) suggests, then it seems reasonable to suggest that having a strong culture would be greatly beneficial when attempting to implement organizational change. The motivated employees would then be more apt to welcome the changes since the strong culture would have, according to Denison and Mishra (1993), led to organizational buy-in and an emotional attachment to the organization from the employees. If the employees believe in the organization and trust the organization’s leadership, then they will be more apt to accept changes, and make cultural changes if necessary (Schein, 1992).
Richard Farmer (2005), chairman and founder of Cintas Corporation, believes that corporate culture is what separates the business winners from the business losers. He believes that a corporate culture of honesty and integrity is more valuable to an organization than cash in the bank. Farmer states that the culture of an organization must be a planned approach to business and must be taught to its members. He feels that one of the things that make Cintas Corporation’s culture so successful is the guiding principles of the company. These guiding principles are engrained at every level of the organization and are believed by all levels of employees. Like Schein (1992), Farmer believes that a culture of leadership is extremely valuable to the organization. He states that the organization’s guiding principles encourage leadership, and that leadership will also encourage a positive and strong culture.

Having a strong organizational culture can have a tremendous impact on the members of the organization. Strong cultures can encourage leadership, high performance, and overall effective organizations. It must also be noted that weak cultures may have the exact opposite effects on the organization and its members. How then, do organizational change and organizational culture impact or affect one another?

*How do Organizational Change and Organizational Culture Affect One Another?*

It would be prudent to first define what organizational change is, as the previous section has been spent on defining organizational culture and discussing its impact on organizational success. Organizational change means to transform or convert an organization or its processes (http://dictionary.reference.com/browse/change).

In order for organizational change to be effective, leaders must first have support from the organization as a whole (Fiol & O’Connor, 2006). Without organizational
support the change initiatives will not have the proper platform necessary for success. These authors also state that when looking at change, the organization must look at its culture and see if the company is simply doing things a certain way because that is how it has always been done. If this is the case, then these relics may be major barriers to changes required in the present or future. Also, if the culture of the organization is inconsistent with the change initiative, limited progress typically occurs.

These authors also believe that the organization’s culture(s) hold existing systems, structures, and resulting behaviors in place (Fiol & O’Connor, 2006). Since culture serves as the foundation for ‘the way we do things around here,’ people are often unaware of the alternatives that may exist outside of the existing culture. Based on these statements, it could be likely that the culture of the organization is prohibiting change from occurring as the leaders of the organization may not realize there are alternatives for ‘the way we do things around here.’ While holding existing systems, structures, and behaviors in place can strengthen the culture by showing consistency, it may also inhibit the organization from seeking alternative behaviors or processes that can increase performance.

Sopow (2006) discusses a link between strong organizational cultures and trust. Organizational culture provides the necessary ingredients for organizational trust. Similar to Denison and Mishra (1993), Sopow found that certain traits seem to create trust within an organization: shared values, open communication, honesty, and consistency. These traits are engraved in strong cultures and help to promote trust within the culture of the organization.

A trusting culture can play an important role when attempting to make changes within the organization or when trying to change the culture of the organization. To many
members, according to Sopow (2006), changing the culture means changing the “tried-and-tested” traditions and ignoring the lessons learned along the way. The members of the organization’s culture feel that the things that make them feel safe and provide a sense of predictability are being changed. This causes these members to lose trust in the organization. They may feel that the organization no longer has their best interests in heart since they are so easily willing to change the culture that has become trusted. If this bond of trust between the members of the culture and the organization is severed, it can be very difficult to gain buy-in for the change initiatives. More importantly, it can be very difficult and time consuming building back the trust from the members of the organization.

Managing the human part of an organization is a major challenge in handling change processes in the organization (Rahman, Rashid, & Sambasivan, 2004). This is because the human part of change involves values, preferences, and attitudes; that is the culture of the organization’s members. Some organizational cultures may be more accepting of change than others based on the values and attitudes of its members.

These authors (Rahman, Rashid, & Sambasivan, 2004) believe that organizational culture can be thought of as a community regarding the way its members interact with one another. It is important for organizational leaders to determine which facets of organizational culture favor change, and to manage the members of the culture accordingly. This would lead to a consistency of behaviors within the culture, in this case the managers have to get buy-in and acceptance of these new ‘facets’ by the members of the culture. Only then can the changes within the culture take place.
According to Ahmed (1998), innovation is the engine of change. Possessing a strong and positive culture will provide the organization with the necessary tools in order to innovate, and therefore change. Leavy (2005) believes that tapping into the creative potential of your employees is a major factor in creating a culture of innovation. Sometimes this actually may require a change in the original culture itself, in order to create a culture which promotes creativity from within. Bear, Jamrog, & Vickers (2006) state that organizations need to have enough resources, teamwork, communication, and autonomy in order to allow innovations to flourish. This also may require a change in the culture of the organization to promote these required traits in order to breed innovation, and therefore organizational change.

What can Organizations do if a Culture Change is Needed?

When senior leadership determines a culture change within the organization is needed so the organization can continue to grow, action must be taken to ensure the culture change is successful. As Sopow (2006) showed, the organization does not want to lose the trust of its employees when attempting to change ‘the way they do what they do’ within the organization. Careful consideration must be taken when changing an organization’s culture to ensure the changes will be accepted.

One action that can be taken is to enhance cultural awareness within the organization through training and leading by example (Jordan, Shraeder, & Tears, 2005). “Training and leading by example can serve as effective methodologies for promoting cultural awareness and bringing about culture change within organizations” (p.492).

Using this theory, organizations should take the time and resources to train employees, or at the very least speak to the employees, about the reasons for the culture
change(s). Organizations can put forth the effort to make sure members understand what the changes being made are, why they are being made, who is making them, where they are being made, when they are being made, and how they are being made. As Jordan, Shraeder, & Tears (2005) discuss, training could be an effective method for senior leaders to use to answer these questions. Also, leaders must be sure to lead by example. They must act in accordance to the new culture so that members of that culture will believe in the changes (Fiol & O’Connor, 2006).

Another idea on what organizations can do if a culture change is necessary is to involve the members themselves in the changes (Yaun, 2006). This will make the employees feel more like a part in the change process, and allowing them to take part in the change process may lead to a higher probability of the changes being accepted. Yaun describes how involving employees in the process of culture change will allow for higher consistency in the culture and will uphold corporate values. This idea is parallel to the research of Denison and Mishra (1993) who stated that not only does the culture cause the actions of the members, but also the actions of the members can form or alter the culture of the organization.

According to Yaun (2006), an organization that used this technique was IBM. IBM determined that a change in their organizational culture was necessary in order to make sure the cultural behaviors aligned with their changing business strategy. In order to involve employees in the process of culture change, IBM made strong use of their intranet. This allowed IBM to gather input from employees located all around the world simultaneously. The intranet medium also gave employees a forum to have their ideas
heard by senior leaders while at the same time taking part in the culture change occurring within the organization.

Research has showed that there are a number of routes an organization can go if it is determined a change in the culture is needed (Jordan, Shraeder, & Tears, 2005; Yaun, 2006). It is important to remember that organizational buy-in from the senior leaders in the organization is extremely important when changing a culture (Fiol & O’Connor, 2006); and that a lack of this support could stop the culture changes early. Once determining that a culture change is required and deciding how to enact these changes, the organization must make sure the culture changes will be accepted by members of the culture being changed.

*What to do in Order to Ensure Change will be Accepted by the Organizational Culture*

The change process in each organization is unique in each situation, due to differences in the nature of the company and/or business, the work culture and values, leadership style, and the attitudes of the employees (Rahman, Rashid, & Sambasivan, 2004). These authors believe that people are generally resistant to change, thus increasing the chances the changes will fail. An organization needs to develop a culture of trust and innovation to avoid this tendency to be resistant to change. This will increase the chances that culture changes will succeed, not fail.

Rahman, Rashid, & Sambasivan (2004) believe that to determine whether or not change will be accepted by the culture, you must first find out the relationship between employee attitudes and organizational change. These researchers discuss how the attitudes and values of the employees within the culture will go a long way in determining whether certain organizational changes will stick or not. These researchers
believe that if an organization fosters a culture of defined work roles, and defined work goals, then the members of this culture will trust their employers to treat them fairly and honestly. This will then make the members of the culture more likely to accept changes, as they trust the leaders who are enacting the changes.

Higgins & McAllaster (2004) argue that if organizations want to ensure the culture will accept organizational changes, the organization may have to change the original cultural artifacts. “Cultural artifacts include myths and sagas about company success and the heroes and heroines within the company; language systems and metaphors; rituals, ceremonies, and symbols; certain physical attributes such as the use of space; and the defining values and norms” (p.63). Higgins & McAllaster state that existing cultural artifacts support old cultures. If leaders are trying to change the culture of their organization, then these leaders must also change the cultural artifacts. In the same way, if leadership is implementing organizational change, leaders must study whether or not the existing cultural artifacts will work well with the expected changes. If yes, then culture changes are not needed. If not, then a change in the artifacts may be required before the culture will accept the changes within the organization.

What are some Best Practices when Dealing with Culture and Change?

Verschoor (2006) writes that an independent U.S. research study by LRN found that a company’s ability to maintain an ethical corporate culture is a key to the attraction, retention, and productivity of employees. Verschoor states that this goes to show that money spent on ethics education, the assessment of ethic programs, and risk evaluation is money well invested. The author even goes so far as to say that smart employers are
those who focus on the development of not only their direct reports, but also employees who are not under their direct control.

What the author and the study show is that ethical behavior inside an organization can directly influence the development of the workforce. The more a workforce is able to develop, the more the organization as a whole will develop. The continued development of an organization may also lead to an increase in the company’s ability to deal with change. What Verschoor (2006) and the LRN study show is that ethical behavior can help an organization create a positively developed atmosphere which may help the company and their workforce better deal with change.

Previous researchers, such as (Ahmed, 1998; Leavy, 2005; Sopow, 2006; Fiol & O’Connor, 2006; Denison, 1993) have shown that a well led and innovative corporate culture can drastically improve an organization’s ability to adapt to organizational change. Kranacher (2006) discusses the importance of creating an ethical culture inside of an organization; and how this culture can lead to positive organizational outcomes.

In her article, Kranacher (2006) discusses how a lot of organizations today have lost their way when it comes to ethics and how this most likely stemmed from an unethical corporate culture. Kranacher points out the importance of ethics in everyday business activities; and comments that “corporate culture must include a commitment to embracing ethical values, not simply to avoid scandals but to regain the public’s trust” (p.80).

Creating an ethical culture thus seems necessary in every aspect of a developing organization. Creating an ethical culture stems from the top of the organization and must be communicated continuously throughout the company (Kranacher, 2006). Maintaining
this ethical culture will keep the organization moving forward, and thus better enable them to handle changes that must occur throughout the life cycle of the organization. Creating and maintaining an ethical corporate culture will allow the company to focus on growth and development, and thus will allow the company to face change initiatives head on without fear of an unethical backlash.

Real-life Examples: The Impact of Culture on Change; and Change on Culture

Faull, Kalliath & Smith (2004) completed a study involving the culture of a New Zealand rehabilitation organization. The study looked at the original culture of the organization, and compared it to the current cultures of the company. These researchers also looked at how the culture changes took place and what was done in order to foster the development of new cultures. What the authors found was the underlying beliefs, values, and world-views of the organization seemed to be resistant to change. It was also found that the behaviors which resulted from the original culture did not suit the expected behaviors based on the new cultures being implemented.

Based on this information, Faull, Kalliath & Smith (2004) concluded that leaders of an organization need to acknowledge and understand the modern day cultures operating within the organization and identify ways in which cultural change or integration can be fostered. What these researchers discovered was that in order to first determine if a culture change is necessary, and second determine what changes need to be made, organizational leaders must understand where the corporate culture currently is. Leadership must also understand how the culture became what it currently is and how the culture affects the members of the organization. After an understanding of the current culture is gained, only then can leadership truly determine what changes can be made and
how the company should go about initiating these changes. Knowledge of how the original culture formed can help the organization look forward and try to determine where the culture is headed. The understanding of culture formation can also help leadership understand how a new culture must be formed, and thus help the leaders implement the changes in a tactful and informative manner.

Schaeffer (2005) discussed the importance of culture and change within the field of healthcare. Schaeffer was the administrator at a healthcare facility. During his tenure as administrator the facilities leadership determined that organizational changes needed to be made to better incorporate Medicare and Medicaid health benefits. Schaeffer and others determined that a change in the culture of the organization was needed to help support a more active role in Medicare and Medicaid.

What Schaeffer and staff did was perform a complete overhaul of the organizational culture; collocating functions and reorganizing the entire organization. One issue that Schaeffer (2005) points out is that even though the culture changes were being made, this did not necessarily also create the anticipated changes in staff behavior. What was determined was that the organization needed to foster a new set of shared values. Two culture changes were made to reach this desired outcome. Leadership first redefined the organization’s activities as healthcare programs for all beneficiaries, and secondly defined the company’s responsibility to lead and leverage these changes in healthcare nationally.

These changes in the organizational culture proved to be successful in creating an environment which played an active role in participating in Medicare and Medicaid. This case study shows the impact that changes in the external environment can have on an
organization, and can lead to the necessity of a culture change. The case study also shows that culture change can also impact changes in the external environment as the organization continued the trend of reorganizing to better fit with the emergence of Medicare and Medicaid. This company along with numerous others has helped Medicare and Medicaid reach the status they currently possess. These changes have also taken the case organization to a level not believed possible under the beliefs and structures of the old cultures.

Elaine Howard Ecklund (2006) studied the cultures of the Catholic Church when dealing with female leadership. What she found was that in churches with a more ‘progressive’ catholic culture, there were more women in leadership positions and the church itself was more open to having women in leadership roles. This was the opposite for the churches studied who possessed more of a ‘less-progressive’ culture, who had few women in leadership positions and were not very open to the idea of women in leadership roles within the church community.

This case study shows what can happen to an organization if culture changes are not made parallel to changes in the external environment, and what can happen if they are. Ecklund (2006) discussed how the ‘progressive’ churches were more open to having women in leadership roles when compared to churches with a less ‘progressive’ culture. A change must have occurred in the culture of these ‘progressive’ churches which coincided with the increasing number of women today in leadership positions. These ‘progressive’ churches saw that the external environment was changing, and must have felt that they needed to change their own internal culture to be able to thrive in these new
times. More women have been attracted to these ‘progressive’ churches than to the churches who have not partaken in the above mentioned culture changes.

As can be seen by these three case studies, culture changes and organizational or external environment changes can have drastic and important affects on one another. They can lead to organizational improvements or increased memberships. The importance of the impact that culture and change have on one another cannot be understated. Whereas changing the corporate culture can be necessary to maintain or increase the success of the organization, the unwillingness of leadership to make imperative culture changes can lead to the downfall of an organization.

This chapter has reviewed a portion of the current available research on organizational culture, organizational change, and the impact that either one has on the other. The next chapter will describe the methodology of the qualitative analyses done on the case study organization, Safeco Corporation.
Chapter 3

Methodology

In combination with a review of current relevant literature, this project also includes a case study of an organization that is undergoing a vast amount of organizational change. This chapter discusses the methodology used in this case study.

Who is Safeco Corporation?

Safeco Corporation deals primarily in the personal and commercial auto, property, and home insurance industries. While Headquartered in Seattle, Washington, there are numerous branch offices located throughout the US.

Safeco employs over 20,000 throughout the U.S. and is continuing to grow. CEO Paula Reynolds was recently named on of the 50 Most Powerful Women in Business, according to Fortune Magazine (October 2, 2006).

Overview of Method

This study used a combination of qualitative research methods and a review of current literature. The literature review encompassed a wide range of articles, studies, and examples of organizational culture, organizational change, and how change and culture can impact one another. The works from a variety of researchers and authors were discussed within the literature review section of this project.

This study involved two different forms of qualitative data, telephone interviews and employee focus groups. Employee questionnaires were used during the employee focus groups. The focus groups then allowed for discussion of the questionnaires in order to expand upon the original given responses.
After collection and discussion, this data was reviewed to find common themes between the relevant current research and the qualitative analysis. These comparisons were used to form further implications and recommendations. While the implications discovered were broader in their focus, the recommendations given in Chapter 5 focus primarily on Safeco Corporation.

Sample

Senior leadership interviews.

Two telephone interviews were conducted with two senior managers from Safeco Corporation. The two individuals interviewed were Terri Dalenta and Allie Mysliwy. Terri Dalenta is the Senior Vice President of Claims and Customer Care for Safeco Insurance Companies. Allie Mysliwy is the Executive Vice President and Chief Business Services Officer of Safeco Corporation. These interviewees were chosen based on a number of factors, including convenience, availability, position, and having a part in implementing organizational change within Safeco Corporation. Terri Dalenta was also chosen based on the researcher’s direct knowledge of her role in Safeco Corporation’s change initiatives. Allie Mysliwy’s name was given to the researcher by Terri Dalenta as a potential interview candidate. These individuals also play a key role in generating and implementing policies which directly affect organizational culture, and how change could effect or be effected by this culture.

The interviews were conducted via telephone as this researcher is located in Rochester, New York, and the interviewees are located in Seattle, Washington. An interview questionnaire (see Appendix A) was developed to guide the interviews and keep them on topic. The interviews were semi-structured. This questionnaire used was
somewhat of a ‘road map’ for the interviews and did not completely restrict the information received in the interviews. The interviewees were provided a cover note explaining the purpose of the research, and the voluntary nature of their participation (see Appendix B). The two executives also provided their permission to use their responses in this project.

**Employee focus groups.**

Three focus groups were held with employees from the Rochester, New York office. A total of three focus groups were held with the twenty-one employees from the Rochester, NY office. Each of these three focus groups had seven participants. The members of this focus group were chosen, at random, by the researcher. The focus group participants for each session were selected randomly from the group total of 21. The focus groups contained only staff level employees; no managers were present. This was done to allow the focus group participants to feel comfortable in their discussion without any fear of managerial repercussions. Signed consent forms were received from all participants who complete the questionnaire (see Appendix D).

Twenty-one employees in the Rochester, NY office were given a questionnaire for completion (see Appendix C). These employees were given a full week (seven days) to complete this questionnaire and return it to the researcher.

**Data Gathering Methods**

After all of the data was collected from the senior leadership interviews, employee questionnaires, and focus group discussions, it was analyzed using a theme analysis procedure. Common themes from the qualitative analysis were extracted and
compared to one another. The basis of the comparison was the senior leadership data and the employee data.

Data Processing Methods

Comparisons of these themes were made to check for similarities and differences amongst the data. The themes were next compared to the relevant current research collected by the researcher.

Based on the themes and the theme analysis, recommendations for the case organization as well as general HRD practice have been highlighted (see Chapter 5). Implications of how organizational culture and organizational change interact have also been discussed in greater detail. This discussion involved the implications of organizational change and culture on general HRD practice as well as on Safeco Corporation. The recommendations made for the case organization were based on the results of the qualitative analysis as well as the comparison between the results and current relevant research.

Outcomes from this Research

Based on the results of this study, two reports have been compiled. One will be provided to Safeco Corporation with recommendations based on the results of the study and the review of literature. The second report goes to St. John Fisher College to fulfill a capstone project requirement in the Graduate Human Resources Development Program. All information obtained from the participants in this study will be used for the purpose of this project only.
Security and Confidentiality Safeguards

Every individual who took part in the focus group discussions signed consent forms allowing their data to be used in this study. As stated earlier, all data collected from all interviews and questionnaires will be stored confidentially in the researcher’s home.
Chapter 4

Results

The data gathered during the case study of Safeco Corporation was reviewed and analyzed. Tables 1 and 2 list all of the questions asked during the senior leadership interviews and employees during the focus groups, respectively. These two tables also give a brief synopsis of the responses of the questions by each senior leader, and each of the three focus groups. The employee focus group answers in Table 2 are summaries from the entire focus group and not just one or two individuals. This chapter discusses the common themes discovered during the case study analysis.

Table 1

<table>
<thead>
<tr>
<th>Questions and a summary of responses from senior leadership interviews.</th>
<th>Interview 1 – Terri Dalenta</th>
<th>Interview 2 – Allie Mydwy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What does organizational culture mean to you?</strong></td>
<td>* The foundation of an organization which affects all decisions on every level.</td>
<td>* Unwritten rules and guidelines for the organization which guide behavior.</td>
</tr>
<tr>
<td><strong>What are five aspects of the culture of Safeco?</strong></td>
<td>* Do the right thing.</td>
<td>* Focus on performance.</td>
</tr>
<tr>
<td></td>
<td>* Thoughtfulness.</td>
<td>* Accountability.</td>
</tr>
<tr>
<td></td>
<td>* Community.</td>
<td>* Ethics.</td>
</tr>
<tr>
<td></td>
<td>* Expect success.</td>
<td>* Customer focus.</td>
</tr>
<tr>
<td></td>
<td>* Politics.</td>
<td>* Caring.</td>
</tr>
<tr>
<td><strong>Do you believe that these cultural aspects are prevalent throughout Safeco?</strong></td>
<td>* Some are prevalent depending on the subculture.</td>
<td>* Not all prevalent throughout the entire organization.</td>
</tr>
<tr>
<td><strong>Do you believe that the culture of an organization can be changed? Why or why not?</strong></td>
<td>* Yes, it takes a long time to change and the changes can start either at the top or bottom depending on the change.</td>
<td>* Yes, change happens from person to person and starts at the top. Takes time and leaders must practice what they preach.</td>
</tr>
<tr>
<td><strong>Do you believe that there are any aspects of Safeco’s culture that need changing?</strong></td>
<td>* Yes – more of a sense of community; need to alter employee feedback structure.</td>
<td>* Yes – fear of risk taking needs to change. Need to become faster at adapting to change.</td>
</tr>
<tr>
<td><strong>Give some examples of important organizational changes that have occurred or are occurring at Safeco within the last year.</strong></td>
<td>* The de-layering of the organization.</td>
<td>* The de-layering of the organization.</td>
</tr>
<tr>
<td></td>
<td>* Changing authority levels.</td>
<td>* Virtual worker.</td>
</tr>
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<td></td>
<td>* Move towards virtual worker.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* De-regionalization.</td>
<td></td>
</tr>
<tr>
<td><strong>Does Safeco view change as an opportunity or threat?</strong></td>
<td>* Both – As humans we tend to view change as an opportunity, the challenge is executing the change(s).</td>
<td>* Both – people tend to view change as a challenge while senior leadership view change as an opportunity.</td>
</tr>
<tr>
<td><strong>Has Safeco’s senior leadership taken into account the organization’s culture during these recent times of change?</strong></td>
<td>* Yes very much so.</td>
<td>* Yes – it is the culture of the organization that caused many of the changes to be made.</td>
</tr>
<tr>
<td><strong>In what ways has Safeco’s culture affected the success or effectiveness of the recent significant changes?</strong></td>
<td>* The de-layering process – empower employees by giving them less steps to go through in order to get authority on decisions.</td>
<td>* Culture changes should allow higher performing individuals to be seen more easily and will allow their performance to be rewarded.</td>
</tr>
<tr>
<td><strong>In hindsight, is there anything that Safeco, as an organization, would do differently regarding the effects of change on culture and vice versa?</strong></td>
<td>* Not become so broadly product centric. This led to some negative campaigning and people not being heard.</td>
<td>* Past CEO put into effect 9 points on how the organization will become more successful and these do not fit with our current strategies and need to be changed.</td>
</tr>
</tbody>
</table>
How do you see the culture of Safeco changing?
* Speed to execution; beginning to increase feedback loops to allow for more employee feedback.
* Safeco was once led by the past, now it is driving its own future.

Does Safeco simply do things a certain way because that is how they have always been done?
* Yes because some of the past actions have yielded success. Some things are being changed as they are out of date.
* Not really because Safeco is challenging old paradigms everyday.

In order to change an organization’s culture, what are the roles of: Senior leadership, Front line managers, and Staff level employees?
* Need to model the change.
* Need to believe in what they are communicating to employees.
* Believe in mission and ask questions.
* Agree with changes, sponsor them and then emulate the changes – this is for all three levels.

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**Table 2**

| Questions and summary of responses from employee focus groups. |
|---|---|---|---|
| **Question:** | **Focus group 1** | **Focus group 2** | **Focus group 3** |
| What does organizational culture mean to you? | *The way things are done in an organization.* | *The values of an organization and how those values are perceived by members.* | *Shared beliefs of the company that are not explicitly stated.* |
| *Valuing Diversity* | *Customer service.* | *Valuing diversity.* |
| *Process improvements.* | *Differentiation.* | *Customer focus.* |
| *Customer service.* | *Risk taking.* | *Employee benefits.* |
| *Keep to yourself.* | *Feeling separated from other employees.* | |
| * Autonomous.* | *Units are separate from one another.* | |
| *Doing only what is required.* | *Self-promotion.* | |
| Do you believe there are any aspects of Safeco’s culture that need changing? | Yes – more accountability on sub-standard employees. Less separated from each other. Better dissemination of information. | Yes – less emphasis on diversity. Too many organizational layers. Sub-par communication. | Yes – communication needs to improve. More emphasis on rewarding high performers. More potential for growth in career. |
| Does Safeco Corporation view change as an opportunity or challenge? | Both – change itself is an opportunity but making it work in the organization is a challenge. | Both – opportunity to grow as a company but a challenge to get buy-in from all levels of staff. | Opportunity – to increase sales and revenue and therefore increase profits. |
| Do you believe that Safeco is open to suggestions from people throughout the company? | Yes and no – Safeco gives the appearance of being open and available but what is done with any suggestions or opinions is not evident. | No – Senior leaders and some managers are not easily accessible even though they may be local. Do not know what happens with suggestions as no one follows back up. | No – suggestions seem to fall on deaf ears because no one shows how staff employee suggestions have led to anything beneficial. |
| Does Safeco simply do things a certain way because that is how they have always been done? | Sometimes yes - but this is not so much the case anymore with new leadership. | Not any longer – Safeco is trying to make a great deal of changes to increase efficiency and improve work life. | Yes and no – some things seem to be done due to past success without considering if it works in our current system. On the other hand there are a great deal of changes occurring which is taking the company away from this mindset. |
| Do you believe the current and recent organizational changes have had a positive or negative impact on the culture of the Rochester office? | Negative – for some reason(s) the more changes that have occurred and success the company has had, the worse the Rochester office has become. | Positive – move to the virtual worker has saved the company money and made life easier on some employees with far travels; however this has not really reached the Rochester office yet. | Negative – the changes do not seem to be affecting the Rochester office. Low producing employees are getting the same rewards as high producing employees without fear of losing jobs. |
| What changes do you believe could be made to positively impact the Rochester office culture? | *Greater cohesion between employees and units. More of a feeling of a “family.” Make management more available to the office.* | *Sense of teamwork and a change in the review structure so low performing employees are not given similar rewards as high performing employees.* | *Increased accountability, more of a feeling of cohesion, changes the work ethic to make it more positive and influential. Have managers...* |
Senior Leadership Interviews

Table 3

Top 5 themes from senior leadership interviews.

The culture of an organization can be changed, and most changes must start at the top of the company. Leaders must practice what they preach.

Safeco has done an excellent job in changing the leadership culture of the organization.

Safeco views change as both an opportunity and a challenge. Employees seem to view change as a challenge while senior leaders view change as an opportunity.

Safeco is trying to move away from a culture of simply doing things a certain way because that is how they have been done in the past.

Safeco is moving away from a culture that is led by its past to a culture that is driving itself into the future.

Table 3 above lists five of the top themes which were discovered during the senior leadership interviews. One of these common themes that arose during both of the senior leadership interviews was the basic understanding of what organizational culture is. Both senior leaders described organizational culture as somewhat of an unwritten instructional guide that tells individuals what to do when specific guidance is unavailable. Organizational culture was described by both interviewees as part of the foundation of an organization, and even individual offices within the company, that affects every day
decision making at every level. The interviewees both felt that the culture of Safeco guides the actions and decisions of all members within the culture.

Another common theme regarding organizational culture that arose was the belief that the cultures of Safeco as a corporation and the specific cultures within each individual office may be somewhat disconnected. The homogenous culture of the organization isn’t necessarily reflected the same way at each Safeco office. So even though the overall culture of Safeco Corporation is preached in the same way to each individual site, each of the offices do not necessarily behave the same way under similar situations.

Accountability, caring or thoughtfulness, and a focus on successful performance were found to be common aspects of the culture of Safeco Corporation. Safeco is trying to instill a focus on performance and accountability in the employees. During the interviews it was found that leadership may not be doing all that is necessary to promote these aspects throughout the organization. Senior leaders can all agree on what they want the culture of the company to be, but if these cultural aspects are not communicated consistently throughout the entire organization then it is highly unlikely that the expected cultural aspects will be followed.

A common communication theme found during the interviews was that the communication and promotion of the culture must start at the top of the company and work down. Employees must first see superiors demonstrating the culture before they will fully engage themselves in the cultural behaviors. This lead-by-example scenario of cultural communication was a constant theme throughout the senior leadership
interviews. The importance of ‘practicing what you preach’ was well explained during both interviews.

This researcher found that it was hard for senior leaders to fully grasp whether the cultural aspects being practiced by themselves at Safeco headquarters were also reflected in all other Safeco offices. The only way to tell was through feedback from office managers and through infrequent visits to each site. A major cultural aspect that is at the top of the list for senior leaders is community. Senior leaders of Safeco Corporation are trying to bring about a company-wide feeling of community; within offices, between offices, and a feeling of community to Safeco as an entire organization. A common roadblock to this that arose from the interviews was the move that Safeco is making towards increasing their telecommuting workforce. The aspect of community feeling throughout the organization is currently a hot topic in Safeco Corporation and is being worked on with great expectations.

Both interviewees believed that the culture of an organization could be changed, and they agreed as to how the changes must occur. They both felt that if an organization wants to change their culture, it must begin the changes from the top. Cultural changes require buy-in from the leaders of the company. Both interviewees felt that repeated demonstration of the culture is needed in order to enact change. Both also agreed that changing the culture of an entire organization takes a lot of time and resources in order to be successful.

Common themes were also discovered when talking about different aspects of Safeco’s culture that the interviewees felt needed to be changed. It was found that Safeco has a tendency to adapt to changes rather slowly, specifically the organization’s ability to
adapt to a culture of accountability and community. It was found that Safeco may be having some trouble broadly accepting the change to having all employees being accountable at the individual level. Employees are not fully embracing this culture change, and leadership is not exactly sure why. It may be due to the individuals’ desire to become more accountable for their own future and career, or that it may be that senior leadership is not doing a good enough job of exhibiting these same behaviors themselves. Whatever the specific reasoning, the interviewees were both adamant that these issues must not be tossed to the side and require attention from leadership to ensure that the proper culture changes occur.

Community and thoughtfulness were also found to be aspects of Safeco’s culture that needed changing. This researcher was told that Safeco is trying to move to a culture that is more focused on listening to employees and their ideas than ever before. This is slowing down decision making within the organization as Safeco has not yet determined how to get employee feedback and still move forward with prompt decision making. As previously stated, the desire for Safeco to be an organization that is truly focused on community needs to be looked at. With the increased amount of telecommuters being used by Safeco, there are serious discussions as to how to instill this feeling of community to individuals who are working from home. This change is taking a lot of time and preparation from Safeco which may be holding back the progress of other culture changes throughout the organization.

A common theme that was uncovered during these interviews was that Safeco Corporation has done an excellent job in changing the leadership culture of the organization, that is, the organizational structure of Safeco. Within the past year Safeco
has changed their structure so there are only about four to five levels between the staff employee and the CEO. This has allowed Safeco to better disseminate information and goals throughout all levels of the organization. It was also commented that this organizational de-layering has helped increase the amount of risk taking and innovation within the organization. Before this culture change it was hard for ideas to generate through the company as there were too many levels the ideas had to pass through. Since the de-layering process, it is much easier for innovative ideas and suggestions to make their way up to senior management and therefore there is more information that senior leadership has to make decisions.

This researcher found that both senior leaders interviewed believed that Safeco views change as both an opportunity and a challenge. It was relayed that it is believed that the employees of the company seem to view change as a challenge, while senior leaders see the same changes as opportunities. It was stated that it is easier to deal with change and to view change as an opportunity when you have the information and are somewhat in control of the situation. This is not the case for all staff level employees and may contribute to why it is believed they view change as a challenge. It was also stated that there are so many changes going on throughout the entire company that it is hard to look at them as a whole without seeing the challenges that each possess. This is where the amount of information and control you have over the changes can convert these challenges to opportunities.

It was also interestingly stated that it is a strong possibility that not all senior leaders probably view change the same way. These differences in how senior leaders view change could drastically affect the change process. This thought was connected to
the culture of “practicing what you preach.” If the leadership of an organization is not on
the same page when it comes to making cultural changes or when it comes to determining
what aspects of the culture need changing, then it is going to be more difficult for
employees to incorporate these new beliefs into their jobs. It was stated in the interviews
that the process of change itself needs to be looked at as an opportunity, and that it is the
execution of the changes that ends up being a challenge.

There were a couple of themes that emerged when discussing how the
interviewees view the changes occurring within Safeco's culture. The speed of execution
of decisions was brought up. One senior leader felt that leaders are trying to move so
quickly in order to make quick decisions that it is seen throughout the company that they
are not being ‘thoughtful’ enough. It is perceived that they are not taking into
consideration anyone else’s ideas or views on how certain decisions will affect all aspects
of the organization. This researcher was told that the organization needs to stop over-
thinking every decision on the culture of Safeco. The organization needs to improve the
feedback loop throughout the change process so leaders and employees are fully aware of
what is going on and how it is affecting all facets of the company. This will lead to a
better and more up to date feedback process that will allow for changes to be made or
processes to be altered throughout the entire cycle of the changes.

It was also discussed that Safeco is moving from a culture that was led by the past
to one that is driving itself into the future. There is a greater alignment between what
makes employees happy and what at the same time earns dividends for shareholders. This
is allowing Safeco to better prepare for what is ahead and become more competitive in
the industry. This will also allow for Safeco to become better aware of culture changes
accountable for their own ideas. It is also believed by this leader that not all people who preach this individualistic approach actually practice it. The most likely reason stated was fear.

In addition to the roles listed in the paragraph above, it was also stated that staff level employees must ask questions and get as much information as they need in order to understand and agree with the culture changes being made. Leadership needs to do a better job at relaying the idea that it is OK to speak up without fear or backlash. Employees must have a belief in the success of Safeco and know that their roles in the company, regardless of exact position, have a direct impact on the success of the company. This researcher was told that even if the employee does not believe in the change, he or she must believe in Safeco as an organization and believe that any change Safeco makes will be to better the organization, shareholders, and employees.

*Employee focus groups*

Table 4

**Top 5 themes from employee focus groups**

<table>
<thead>
<tr>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>A common understanding of what organizational culture is and what the culture of Safeco Corporation is, both organization-wide and office specific.</td>
</tr>
<tr>
<td>Feeling of disconnect amongst colleagues in the same office as well as a feeling of disconnect to senior leadership and other regional offices.</td>
</tr>
<tr>
<td>Very little to no potential for vertical movement within the company, especially inside the Rochester, NY office.</td>
</tr>
<tr>
<td>There are a number of cultural aspects of Safeco that need to be changed; ranging from communication to placing a higher value on employees.</td>
</tr>
<tr>
<td>Change is viewed by employees as both an opportunity as well as a challenge.</td>
</tr>
</tbody>
</table>
The information obtained during the three focus groups done at the Rochester, NY office of Safeco Corporation was compiled and reviewed. Common themes (see Table 4) were discovered during the analyzing of the information. These common themes will be discussed in this section.

One theme which constantly arose throughout each of the focus groups were the employee’s feelings and perceptions on what organizational culture means, and what the culture of the Safeco office in Rochester is. While not all focus group participants agreed on all issues, the themes on culture were quite common in each focus group. These common themes were that the culture of an organization deals with the unwritten 'rules' that guide employees and managers in their jobs, and in their interactions with one another.

The common themes found regarding the culture of the Rochester office were quite opposite from what was discovered in senior management interviews. Many focus group participants believed that there is a big disconnect in the office site, both between units and groups inside the office, and between the site office and leadership. A lot of this had to do with distance and the lack of visibility of senior management. Rochester, NY is on the opposite side of the country from Safeco headquarters in Seattle, WA. The participants described the lack of visibility in the fact that senior leaders do not travel to this office site. Senior leaders seem to travel to almost every other office location throughout the United States, yet they never seem to visit the Rochester, NY office. The participants explained that this makes them feel as if they are not cared about by the organization, and that what goes on in their office does not matter in the grand scheme of the company. The participants told this researcher that if senior leaders were more visible
and took more of a demonstrated interest in the Rochester office, this could possible affect their views and make the employees feel more connected to the company.

It was also discovered that the employee focus group participants do not feel very connected to one another. The Rochester office of Safeco Corporation has taken on a culture of solidarity. This solidarity is between individual employees and also between organizational units. It was explained that there are three basic units in the Rochester office; Liability or Casualty; PIP or New York no-fault; and Homeowners. The organizational units work independently from one another and rarely rely on each other for support. Goals are structured differently between the units and even members of each individual unit do not feel completely connected to other members of their unit. Goals are on the individual level, and there are very few whole group or unit goals. The participants also described that some managers try to make the members work together as a team and feel as if they are on a team, but this is hard for them to maintain since they are graded mostly on an individual basis.

One of the focus group discussion questions focused on the employees describing five aspects of the culture of Safeco overall, and then that of the Rochester office. What was found was that the answers given for Safeco as a corporation and the Rochester office were not the same. Many participants described the importance that Safeco as an organization puts on diversity, technology, customer satisfaction, and brand management. They also described that Safeco is turning a corner in the amount that they care about the employees of the organization, as a whole. The participant’s responses on the culture of the Rochester office were different. Many participants felt that while the organization as a whole was trying to focus more on employee development and satisfaction, this is not
really taking place in the Rochester office. While many focus group participants felt that the Rochester office was making positive strides in the right direction, many felt that they could not see how these new developmental initiatives benefited them.

The participants used their overall feeling of organizational disconnect to describe these feelings. It was hard for many participants to see that they were benefiting from the move towards employee satisfaction as they do not feel connected to the company and they do not feel that these initiatives have their interests in mind or have been marketed to them. One participant used the example that when Safeco began bringing out some of these new employee development initiatives, such as a change in the goals structure, salary ranges, benefit structure, rewards system, and wellness programs, the company had members of leadership travel to different locations to help promote these initiatives. The fact that no leaders seem to visit the Rochester office seemed to negatively affect this participant. He felt that these new development initiatives would directly benefit him. It was explained by some participants that having leadership not visible to the site office caused them to feel less of a part of the company. It was stated that in some cases these actions have negatively changed employee attitudes towards the organization.

Another common theme found during the three focus groups was a feeling that there is little to no potential for progression in their jobs. Since the Rochester office is a satellite office, there are not a lot of available positions within the office that members can be promoted into. Many participants described having a feeling of being stuck in their current roles because they felt they had nowhere to go to within the company. They stated that in order to be promoted they would most likely have to move and this was not always an option, due to family or other reasons for staying in western New York. This
feeling of being stuck where they are was explained as causing some participants to not focus on their tasks as much, because they feel that there is nowhere to move in the company and therefore working towards a promotion is not an option. This has also caused some of the participants to actively search for other employment where there would be greater chances for upward mobility.

Participants also explained how the difference in management styles even within the Rochester office has caused some employees to feel differently about this. Some participants explained that their manager has shown great interest in their work and career and this has caused them to have a greater sense of pride in what they do. This feeling of pride has taken precedent over any feelings on unworthiness or lack of promotion opportunities. These participants explained that their managers show them that what they do matters to the company, the office, and to their unit. This makes these employees feel that if they keep up the good work then eventually promotions will come their way. Other participants explained that they did not have managers who treated them in the same way and therefore did not have this sense of pride and overall opportunistic thought process.

A common theme that was discovered throughout the three focus groups was that there are aspects of Safeco’s culture that need changing. Not all participants felt this way, but a majority described such feelings. The most common responses were that communication needed to be improved, there needed to be more individual and group accountability, and that Safeco needed to put a greater value on employees. The issue with communication was the most prevalent in each of the focus groups. Participants did not feel as though the leaders of the organization communicated their processes well
enough to employees. It was explained that leaders had a tendency to explain only some of what was changing in the organization, and that the reasons behind these changes were not always conveyed. Many participants were not sure if this was just a problem in the Rochester office, or if other offices had the same complaints. Participants stated that they would like leadership to be more thorough in their explanations of changes and also take more time to explain why the changes are occurring and more importantly how they are going to affect different groups within the organization. The participants explained that leadership needed to be more personal with communication and to not make changes on processes without first speaking to employees who deal with the processes being changed. Some participants felt that this may be done in other offices but it definitely is not done in the Rochester office.

Accountability was another aspect of Safeco’s culture that a lot of participants felt needed to be changed. On one hand they stated that individuals need to be held more accountable for their own work and mistakes; while on the other some participants felt that if management was going to push the feeling of teamwork and community, then managers needed to give out more team projects. Regarding the individual accountability, many participants felt that underperforming employees were not held accountable for their work. Employees felt that some workers could get significantly lower scores on reviews than others, and still get almost equal raises and bonuses. Participants stated that this made them very uneasy that underperforming employees were getting rewarded, and that they were getting rewarded similarly to employees who were going above and beyond expectations. Participants described that this led to a decrease in motivation and caring about the quality of their work. It was explained however that Safeco has changed
around the goals structures and that this could change the above beliefs, but more would not be known until year-end reviews were performed.

A majority of focus group participants felt that leadership viewed organizational change as both an opportunity and a challenge. Similarly to the interview responses, the focus group participants explained that Safeco seems to view change as an opportunity, but the challenge most likely is in implementing the changes. Many participants explained that there have been so many changes occurring within the past year and a half or so that it is impressive the company is still succeeding. A lot of the participants felt that it is challenging for the company to implement so many changes at once and still track the progress of each change initiative.

This was also explained as having a negative affect on the organization and its members. Some explained that Safeco is making so many changes that they are losing their identity and seem somewhat “locked in” on changing everything without first researching whether these changes need to occur. It was described that if they do in fact fully track all changes and adequately research the need for the changes, it is not communicated to the employees. Some participants also felt that the changes taking place seemed to benefit those in “higher up” positions and negatively affect lower level employees. It was also believed by many participants that the changes were having different affects on different offices, and the employees do not know if the company is acknowledging this and making any necessary changes to ensure that all offices are being positively affected by each change. If not, then some felt that certain changes should only be done in certain offices where they are needed, and not necessarily be organization wide changes.
During the focus groups, a lot of participants explained that Safeco gives employees a lot of opportunities to express suggestions or issues with certain things. Many felt that managers within the Rochester office were very accessible and open to meeting with individual employees to discuss anything, both work and non-work related. This gave most employees a feeling of security and confidence that they always had someone they knew would listen.

It was also discovered that senior leaders are not viewed as being very accessible to employees. This was explained as being due to the geographic locations of the leaders and the Rochester office. Many participants also discussed that while they felt Safeco gave them semi-adequate avenues to offer suggestions and recommendations, any suggestions given seemed to fall on deaf ears. Not one focus group participant was able to give this researcher an example where a suggestion was given and where follow-up was received. The participants stated they were never updated on the progress of their suggestion. They had no idea if their manager just discarded what they said or if it was lost somewhere in the chain of information. Participants who felt this way stated they were less likely to offer suggestions as they felt that what they think does not matter so why waste their time.

This researcher asked the participants what they thought about the impact that organizational changes were having on the Rochester office of Safeco, and also the impact that the culture of the Rochester office was having on the implementation of organizational changes. Many participants believed that the changes in the organization were beginning to have positive impacts on the culture of the Rochester office, but it was too early to tell if these positive changes would indeed stick and result in a permanent
change in the culture. Participants explained that the changes in the goals structure and the increased focus on performance were going to have a positive impact on the culture of the Rochester office. Many felt that this would 'weed out' bad performers and give incentive to employees to focus more on performance and increase their accountability. They stated though that since these changes are in their early stages of development it was hard to comment on the long-term effects they are having on the office culture.

Almost all participants stated that they did not feel that the culture of the Rochester office had any impact whatsoever on the implementation of any organizational changes. Many felt this way because they state they are never asked how changes would affect them or what they think needs to be changed in any particular area or process. They also stated again that some changes seem to be geared towards the culture of certain offices, mostly home office, with somewhat disregard for the smaller offices of Safeco. It is as if the culture of the Rochester office must always adapt to the changes taking place, without ever getting the opportunity to show how some changes could be positively impacted by certain aspects of their office culture.

Another common theme that came up in each focus group done was on telecommuting. Many participants felt that offices all across the country were getting the opportunity to have employees work from home, except the Rochester office. Even though many explained that they understand why so many offices having been abolished and telecommuting is occurring more frequently, it didn’t do much to change their opinions. Many felt that since the Rochester office is so small that telecommuting would save the company money while also improving job satisfaction. Many stated that since there is already a feeling of disconnect between members in the same office, having all
employees work from home would have no effect on this whatsoever. These same participants stated that working from home would most likely improve their performance as they wouldn’t have to deal directly with all of the unnecessary “office politics” that go on in the office on a daily basis.

This was not the feeling throughout all focus groups however. Some employees thought that if they were to work from home there would be no culture at all since there would be no office. These participants believe that the closeness with other members in the office would be lost and they would feel so disconnected from others and the organization that it would negatively affect their performance. These participants stated that if Safeco has too many telecommuters that the organization as a whole would lose its identity and culture, and this could in no way benefit the overall success of Safeco.

Almost all of the 21 employees that took part in these employee focus groups believed that in order to change the culture of any organization, the changes have to start at the top. It was agreed that the leaders of Safeco, or any organization for that matter, must create, communicate, and act according to the changes they wish to implement. It all begins with senior leadership and their desire to enact appropriate and positive organizational culture changes. They must “walk the talk” if they expect members of the organization to follow their actions and initiate any desired culture changes.

It was believed that the roles of middle management when implementing culture changes were also to act in accordance to the changes, as well as to more actively communicate the necessity of the changes to the employees. Participants stated that since most employees do not see leadership but do see their managers on a daily basis, that they would be more impacted by how the managers acted then senior leaders. It was
explained that managers must adequately explain why the changes are needed, how they are to be carried out, and then consistently act in accordance the culture changes.

Participants then indicated it was up to the staff level employees of the company change their behaviors and to make the culture changes permanent. The employees were mainly responsible for implementing the culture changes since the culture directly affects employee actions. Employees believe that it is up to them to act in accordance to the required changes and to change their attitudes and behaviors to assure that the changes take place and also stick.

Based on the results of the employee focus groups and the senior leadership interviews, a lot of similarities and differences were discovered in the views and opinions of each sample group. The next chapter takes the results of the case study and evolves them into implications and recommendations for Safeco Corporation.
Chapter 5

Implications and Recommendations

There are a great number of possible implications that the research data and literature review can have on Safeco Corporation. Table 5 lists six themes found during this project’s research and compares the viewpoints of senior leadership with the employees from the focus groups. This chapter focuses on a few key implications and offers recommendations for Safeco Corporation based on the results of this project.

Table 5

<table>
<thead>
<tr>
<th>Theme</th>
<th>Senior leadership view</th>
<th>Staff employee view</th>
<th>Same / different</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can the culture of an organization be changed?</td>
<td>Yes</td>
<td>Yes</td>
<td>Same</td>
</tr>
<tr>
<td>What is organizational culture?</td>
<td>Unwritten rules that guide behavior when no one is around.</td>
<td>Values of the organization that guide rules and behaviors.</td>
<td>Same</td>
</tr>
<tr>
<td>Is there a feeling of disconnect between staff and management?</td>
<td>Not really</td>
<td>Yes</td>
<td>Different</td>
</tr>
<tr>
<td>Is change viewed as an opportunity or challenge?</td>
<td>Both</td>
<td>Both</td>
<td>Same – employees tend to view it more as a challenge than leadership however.</td>
</tr>
<tr>
<td>Are there aspects of Safeco’s culture that need to be changed?</td>
<td>Yes</td>
<td>Yes</td>
<td>Same – difference is in what aspects of the culture need to be changed.</td>
</tr>
<tr>
<td>Are changes communicated well?</td>
<td>Yes</td>
<td>No</td>
<td>Different</td>
</tr>
</tbody>
</table>
Implications of Research Data

The research data collected through a review of current relevant literature, interviews with two members Safeco Corporation’s senior leadership team, and three employee focus groups consisting of 21 employees for the Rochester, NY office of Safeco Corporation have uncovered a tremendous amount of information relating to the impact that organizational culture and organizational change can have on one another. This section will discuss the implications of the research collected; the importance of the themes collected from the research, and also compare the interview and focus group findings to the literature research.

According to Schein (1984; 1992), organizational culture is “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (p.3). Also, according to Denison (1993) an organization can have a number of different cultures within different groups, some of which must be adaptable to the changing environment and the changing groups. Compared to the definitions of organizational culture as described by members of Safeco Corporation, there are both similarities and differences to Schein and Denison.

Both members of Safeco’s senior leadership team who were interviewed described organizational culture as somewhat of an unwritten instructional guide that tells individuals what to do when clear direction is unavailable. Organizational culture was
also described as part of the foundation of an organization, and even individual offices within the company, that affects every day decision making at every level. This is similar to Denison’s (1993) theory on organizational culture in that both discuss how the culture of the organization can have different aspects at different sites and levels of the organization. This concept can have tremendous implications on whether or not change initiatives are accepted by all organizational levels and offices. If different offices have different cultures, then it is possible that each office may in fact see the changes differently and incorporate the changes differently into their culture(s).

Take for example an aspect of culture as described by the employee focus groups at the Rochester office, that suggestions given to managers by employees fall on deaf ears and are not followed through. This cultural aspect could be completely different in another office, say in Hartford, CT. If Safeco leadership tries to make organization-wide culture changes to increase employee suggestions on process improvements, the changes will not assimilate the same way into the two different office cultures. The Hartford office would be more likely to continue making suggestions as they consistently receive feedback on their suggestions and how they were received by the organization. This would not happen so easily in the Rochester office because the culture is that of not giving suggestions since they do not see any improvements from their suggestions. The process of implementing the same changes would have to be different in each office based on the current cultures of each. Therefore, understanding that these cultures are different and how different they are before attempting to implement specific culture changes can save the organization a great deal of time, money and resources which otherwise may be misused.
Both senior leader interviewees and employee focus group participants had similar definitions of culture to Schein's, they were at different levels. Schein (1984; 1992) looked at culture from the underlying beliefs and assumptions that cause employees to act a certain way, and went into great detail on how these behaviors come about and are reinforced within the culture. The participants of this study looked at culture as basically the unwritten rules or laws that cause of force members of the culture to act a certain way in certain situations. While this is very similar to Schein’s definition, the participant’s definition seems to focus more on the surface of the definition while Schein described details of what is underneath the surface of culture.

These subtle differences could account for some of the difficulties that organizations have when trying to implement change. When seeing the culture of the company only at the surface level, it can seem relatively easy to change or alter. Thus change initiatives can be made under the assumption that the culture can easily assimilate the changes and alter the actions of the culture members.

This assumption can cause a great deal of complications for an organization because there is a lot more to corporate culture than what is seen on the surface. Organizations need to understand the underlying factors that made the culture the way it has become in the first place. Leadership needs to look into the past and uncover why the culture is the way it is, and how it got there. Leaders can then gain an understanding as to the underlying reasons behind why members act the way they do within the culture. After this is understood the organization will have a much easier time developing change initiatives which will require cultural shifts. Leadership will have an understanding of how the culture evolved and how to better implement changes in accordance to the
cultural changes that preceded the current changes. Thus the implications of having a genuine understanding of culture formation and the underlying factors within the culture can have a critical impact on the ability to make future changes within the organization.

Throughout the research done for this project, it was discovered that while employees and leadership agree that there are aspects of Safeco’s culture that need changing, neither gave the same responses as to which aspects of the culture need changing. Not even the two Safeco leaders gave the same responses to this question. This shows that not all levels and not even all individual members of similar levels are on the same page about where the culture of Safeco is, and where it needs to be. While the findings of this research could belong only to those involved in the study, and the remainder of the organization’s members feels the same way as each other, it still shows that there needs to be further communication on the culture of Safeco as a whole and on the individual office levels.

One group of responses that was the same for all participants of this study was how change was viewed by the organization. Both senior leaders and a majority of the employee focus group participants believed that Safeco views change as an opportunity. They also all agree that the challenge is in implementing the changes. The differences between these two groups were that the leaders believed that the leadership of Safeco views change as an opportunity, but also feel that the staff level employees of the company most likely view change as a challenge. They feel this way in part because as senior leaders, they have all of the information and data regarding the changes and necessity for changes. The leaders feel that having the information gives them the advantage when it comes to finding the silver lining in the change process.
The interesting part is that when the same question was posed to the employees during the focus groups, the responses and explanations behind these responses turned out to be similar. The employees believed that the organization viewed change as an opportunity to grow and increase revenue and therefore profits. The employees believed that implementing the changes throughout all offices within the company was the challenge. The employees also saw change as a challenge in that different offices are run differently, and more importantly they viewed change as a challenge because they did not always understand why the changes were needed. This is similar to the responses obtained from the senior leadership interviewees, which stated that they could view change as more of an opportunity because they had all the information. The employees view change as a challenge given that they do not have the necessary information to change their perceptions. It is interesting in the fact that both of these organizational levels agree that having the information is power, yet it seems based on this research that no changes have been made to get this information into the hands of the employees.

An important fact discovered during this research dealt with the communication of information regarding culture changes. Both focus group participants and the two senior leaders interviewed believed that in order to change culture, the changes need to start at the top of the company. The changes need to be acted out by the leaders of the organization, and somewhat of a trickle-down effect needs to take place. The difference found was that a majority of the employees in the focus groups stated that the leaders of Safeco did not do a satisfactory job at communicating these culture changes down through the organization, while this thought never really entered into the responses of either senior leader interview.
This may imply that senior leaders and staff level employees are not on the same page regarding the picture that is put out by the actions of senior leadership. The focus group participants commented repeatedly that leaders do not do a satisfactory job at explaining why certain cultural aspects need to be changed, and that it is very hard to see that these cultural changes are being performed by members of the organization that are never seen by members of the Rochester office. Since it is agreed by all participants of this study that change needs to be modeled by the leaders enacting the change, then it seems reasonable that these leaders need to be visible by the members of the cultures they are trying to change. Based on the information obtained from this study, this does not seem to be the case.

The information uncovered throughout the entire scope of this project can also have implications on future research and studies, and the field of Human Resources Development (HRD) as a whole. This study can be used as a basis for future studies dealing with linking organizational culture and organizational change. The case organization studied in this project can give researchers a real-life example on how different levels of an organization can view change and organizational culture both similarly and differently. Future research can be done to possibly help explain the reasons behind these different views and give further recommendations on improvement. More case organizations can be studied to see if a majority of organizations world-wide take organizational culture into account when trying to implement changes. Also, the more studies that are done, the more examples of how specific companies deal with the impact that change and culture have on one another will be discussed. These real-life examples
can then be shared with further organizations that may be having similar problems with change and culture.

This study can impact the field of HRD, more specifically the field of organizational development (OD). Organizational development can be described as a process that has the potential to develop desired outcomes in an organizational setting (McLean, 2006). One common desired outcome in an organizational setting is the changing of the culture or cultures of said organization. By understanding how organizational culture and organizational change impact one another, and by examining a case study of this interaction, the field of OD can benefit. OD practitioners can see potential opportunities and challenges that can arise when changing aspects of the culture of an organization, and can know what to possibly expect when working in the field. If changes occur within the organizational setting there is no doubt that the culture of the company will have a role in the success or failure of the change implementation. Understanding the culture and how the changes will affect the culture will put the OD practitioner one step ahead of the game and give them a greater opportunity for filed success.

Recommendations for Safeco Corporation

Based on the responses of the employee focus groups and senior management interviews, and the comparison of these responses to the current relevant literature on the same topics, this researcher has developed certain recommendations for Safeco Corporation. These recommendations may help bridge the gap between senior management and staff level employees and help put both levels on the same page when it comes to implementing changes in the corporate cultures of Safeco.
Recommendation 1 - communication

The first recommendation deals with strengthening the lines of communication throughout the different levels of the organization. One of the issues uncovered during this research was that employees in the Rochester office of Safeco believe that there is a lack of communication from above regarding the necessity and descriptions of changes that are affecting the culture of the office. The recommendation from this researcher is to form an employee committee or counsel that will have direct contact with members of senior leadership. This counsel should contain members from different offices so that all of the cultures of Safeco are accounted. To make the counsel itself small in nature, sub-committees can be formed with members from every Safeco office and even including telecommuters. These sub-committees will meet and give feedback to the members of the employee counsel.

The counsel will then meet directly with senior leaders to discuss any issues regarding changes taking place and how these changes are affecting and being affected by the cultures of each Safeco location. This will open the lines of communication regarding change throughout Safeco. This will also show the employees that leadership cares about how the changes are affecting each office on an individual level, and not just the company as a whole. Explanations on why changes are occurring and how they have been developed can be described to the employee counsel members directly from the mouths of those who are initiating the changes. Feedback can be given to senior leaders explaining how the changes are affecting certain aspects of the company’s cultures, and this information can be used by leadership when discussing future organizational changes.
Recommendation 2 – employee accountability

The next recommendation to Safeco Corporation is to put more accountability on the individual employees. This is one of the cultural aspects that the participants in the employee focus groups commented on the most. It was believed that not enough accountability was being put on the employee as an individual. A lot of the focus group participants thought that some underachieving employees were moving ahead without any repercussions, and were also benefiting from the same rewards that overachieving employees enjoyed.

It seems that more accountability needs to be placed on each employee so that the employee takes pride in their work and tries to work to their maximum potential. It is also a recommendation that underachieving employees not receive similar benefits and rewards as those who meet or exceed their goals. This must be known by all employees and it must be seen in action. It is one thing to say that the reward system benefits some more than others, but employees stated they must see this to believe it.

There is a level of accountability that has to be placed on management as well. One of the main points that came from the focus groups was that the employees felt that there were very little advancement opportunities for them. From the interviews it was explained that it is up to the employees to take control of their own future within the company. It is a recommendation of this researcher that the idea that it is up to the employee to take control of their own career needs to be better communicated to them. Based on their responses during the focus groups, the employees did not seem to be on the same page as leadership in this issue.
It should be communicated more frequently and consistently to employees that their future in the company is in their hands. It should also be communicated what options are available for them to better themselves and advance within the company. During the research it was discovered that Safeco Corporation has a vast array of career development programs and multiple career ladders with advancement potential. These opportunities seem to not be communicated well based on the results of the focus groups. Maybe if the employees understood what their options were, they could have a greater command on their career and future, and this could translate into the same employees feeling more attached to the organization.

**Recommendation 3 – Visibility**

From the research done for this project, it was discovered that employees do not view senior leadership and even some unit managers as being visible to them. The geography of the Rochester office and home office in Seattle complicates this issue even more. It is recommended that high level managers and senior leaders of Safeco be more active in making themselves available to staff level employees. This goes for unit managers too, as this research showed that some managers were not even that visible to their employees.

Due to geography, this increase in visibility does not necessarily have to be face to face. Having office meetings with managers and leadership taking part through teleconference is one way to become more available. Sending out consistent emails to each employee asking for feedback, or explaining the specifics of certain changes can improve the visibility of the leaders of Safeco. During these meetings or emails, it is imperative that feedback be collected by leaders as to how the employees themselves
believe the changes will be accepted at the staff level. This will give leadership a better handle on the culture of the office and assist in the change implementation process.

Another idea on improving visibility would be to hold contests or meetings and send staff level employees to the company’s home office to meet with leadership. Based on what was heard from the focus groups, even sending employees to a larger office would improve visibility and show that the leadership of Safeco values the ideas of the employee at a small office location, such as Rochester.

Recommendation 4 – Show that employee suggestions are valued

Many of the focus group participants stated during this study that they do not offer suggestions on any consistent basis because they do not believe that the suggestions will be heard. They stated that there is never any feedback on the suggestions given, and the employee has no idea what was done with the information offered. The participants stated that they did not want to waste their time giving suggestions and ideas on improvements or cultural changes that would undoubtedly fall on deaf ears.

Both management and leadership need to ensure that this is never the case. It is recommended that a process be put into action, or if such a process is currently in place, it must be better communicated and understood so that employees never feel that their ideas are not being listened to. There should be follow-up given by the employee’s manager on what the status is of their suggestion or idea for process improvement. If the idea was given over to senior management and has not moved from there, this must be communicated to the employee.

It also should be the manager’s responsibility to ensure that the suggestions are heard by whomever needs them to make decisions. If the idea is determined to be not
beneficial to the organization at this point in time, then this must be relayed back to the employee, but in a positive way. Explain that the process does not fit with the current goals of the company, and fully explain why. The manager should discuss with the employee what possible changes could be made to the proposal in order to better align it with the direction of Safeco. Never tell the employee that their ideas are worthless, because this will bring about the culture that was discovered during the focus groups; that is the culture of not speaking up. The direction and goals of the organization must be consistently relayed to all levels of the company so that suggestions can be readily altered or changed.

Recommendation 5 – Facilitate the sharing of cultures between offices.

The organization should facilitate the sharing of different cultural aspects between all of the different offices of Safeco. It is quite possible that each individual office of Safeco has different and similar cultural aspects. This was even stated during one of the senior leadership interviews for this study. Since there are undoubtedly a variety of aspects prevalent in the cultures of Safeco’s numerous office sites, these aspects should be shared with all offices.

A process can be put into place which will allow members of each Safeco office to describe, say, the top five to ten aspects of each office’s culture. A forum should then be provided for all of these aspects to be stated and explained to all other offices. To avoid confusion, this can be done over a number of different conference calls, or even in a broadcast or newsletter. Each office should elect one or two (depending on office size) spokespeople who will explain the decided upon cultural aspects of their specific office. These will then be shared to other offices.
The sharing of these cultural aspects will allow individual offices and management to get a grasp on how different the Safeco sites are with regard to culture. It will also allow for each office site to hear the underlying assumptions which help drive behavior in each office. They may hear something that they can assimilate into their own culture to bring about positive changes in behavior. Offices may hear that some offices do certain things a little bit differently which brings about slightly better results from the culture members. These changes can be taken back to their own organization and incorporated into their activities. This will also increase communication between all members of Safeco and improve the feeling of community within the organization; which according to one senior management interviewee is of great concern to Safeco at this current time.
Conclusion

In conclusion, organizational culture is “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 1984, p.3). These basic assumptions and underlying reasons why employees act the way they do within an organization can have a tremendous impact on the success or failure of organizational change. As can be seen by the case study of this project, an organization can have a number of different cultures in a number of different office locations. The key to the success or failure of change initiatives lies in the culture of the organization or office being changed. Without a complete understanding of the culture and how it was formed, it will be very difficult to implement changes, and more to the point have these changes accepted by the members of the company. The impact that organizational culture and change have on one another cannot be explained in one article or paper, and much more research needs to be done to comprehend fully the role each one plays in the success of the other. One thing that seems to be completely understood however, is that to have success in business, an organization must understand the past, present, and future of its culture(s).
References


*Physician Executive, 32*, 76-78.


Appendix A

Senior Leadership Interview Questionnaire

1. What does organizational culture mean to you?

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2. What, in your opinion, are five aspects of the culture of Safeco?

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3. Do you believe that these cultural aspects are prevalent throughout Safeco? Or just in the office you work in?

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4. Do you believe that the culture of an organization can be changed? Why or why not?

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________________________________________________________________________
5. Do you believe that there are any aspects of Safeco's culture that need changing?


6. What are five examples of large-scale, or important, organizational changes that have occurred or are occurring at Safeco in the last year?


7. Does Safeco Corporation view change as an opportunity or challenge? Please explain.


8. Did/does Safeco's senior leadership team take the culture of the organization into account during these times of organizational change? If so how?
9. In what ways do you believe that Safeco's culture has affected the success or effectiveness of the recent significant changes?

10. In hindsight, is there anything that Safeco, as an organization, would do differently regarding the effects of change on culture and vice versa?

11. How do you see the culture of Safeco changing? Have you noticed any significant changes in the culture or subcultures?

12. Does Safeco Corporation simply do things a certain way because that is how they have always been done? How does senior leadership address change?
13. In order to change an organization’s culture, what do you believe are the roles of:

   a. Senior Leadership?

   b. Middle Management?

   c. Staff Level Employees?
Appendix B

St. John Fisher College Consent Form

In conjunction with the Graduate Human Resources Development Program at St. John Fisher College and my 590 thesis project, I am conducting research regarding organizational culture and change. The purpose of the project is to determine the relationship between organizational culture and change, and to study the affects these two concepts have on each other. I am also looking at how the organizational culture of Safeco Corporation is being affected by the numerous organizational changes currently taking place. As a member of the senior leadership team of Safeco Corporation, you have been chosen to participate in the study. Overall, two senior leaders will be included in the study, along with three employee focus groups consisting of twenty-one total employees. Participation is voluntary and will require an interview that will take approximately 30-60 minutes of your time.

Your answers will be used only for the purposes of this project. You can refuse to answer any question or to stop the interview at any time. Withdrawing from the project will not result in any negative consequences for you.

Participation in this project poses minimal risk to you, and will be used only as research for this project.

This study has been reviewed and approved by the St. John Fisher College Institutional Review Board (IRB). If you have questions about the project you may contact Scott Baldwin at 585-729-9755. If you have questions regarding your rights as a participant, you may contact Dr. Tim Franz, Head of the GHRD program at St. John Fisher College at 585-385-8170.
Appendix C

Employee Focus Group Questionnaire

1. What does organizational culture mean to you?

2. What, in your opinion, are five aspects of the culture of Safeco?

3. What, in your opinion, are five aspects of the sub-culture of the Rochester office of Safeco?

4. Do you believe that there are any aspects of Safeco’s culture that need changing?
5. Does Safeco Corporation view change as an opportunity or challenge? Please explain.


6. Do you believe that Safeco is open to suggestions from people throughout the organization? Are managers and senior leaders easily approachable?


7. Does Safeco Corporation seem to simply do things a certain way because that is how they have always been done?


8. Do you believe that the changes being made within Safeco are having a positive or negative impact on the culture of the Rochester office? Do you believe that the culture of the Rochester office is having a positive or negative impact on the changes going on within the organization?
9. What changes do you believe should/could be made within the organization that would positively impact the culture of the Rochester office?

10. Do you believe that any changes could be made to the culture of the Rochester office to better go along with the organizational changes taking place?

11. In order to change an organization’s culture, what do you believe are the roles of:
   d. Senior Leadership?
   e. Middle Management?
   f. Staff Level Employees?
Appendix D

St. John Fisher College Consent Form

In conjunction with the Graduate Human Resources Development Program at St. John Fisher College and my 590 thesis project, I am conducting research regarding organizational culture and change. The purpose of the project is to determine the relationship between organizational culture and change, and to study the effects these two concepts have on each other. I am also looking at how the organizational culture of Safeco Corporation is being affected by the numerous organizational changes currently taking place. As an employee of Safeco Corporation, you have been chosen to participate in the study. Overall, twenty-three persons will be included in the study. Two members of senior leadership and twenty-one staff level employees. Participation is voluntary and will require a focus group that will take approximately 30-60 minutes of your time.

Your answers will be kept confidential and your responses will not be linked to you by name or any other personally identifiable means. You can refuse to answer any question or to stop the interview at any time. Withdrawing from the project will not result in any negative consequences for you.

Participation in this project poses minimal risk to you, and will be used only as research for this project.

This study has been reviewed and approved by the St. John Fisher College Institutional Review Board (IRB). If you have questions about the project you may contact Scott Baldwin at 585-729-9755. If you have questions regarding your rights as a participant, you may contact Dr. Tim Franz, Head of the GHRD program at St. John Fisher College at 585-385-8170.

By your signature below, you agree to participate in this interview study. You will be given a copy of this form.

| Participant signature | Date | Interviewer signature | Date |