

# Case Study: Cultural transformation

May 2017



Places to live. Space to grow.

<b>Company Type</b>	<b>Not for profit, registered provider of social housing</b>
<b>Turnover</b>	£46m
<b>Housing asset value</b>	£483.1m
<b>2016 Housing units</b>	6,900
<b>2016 Employees</b>	290 (190 FTE)

## Synopsis: culture change and the learning organisation

In 2011 West Kent Housing began a cultural change programme to encourage staff to move away from a rigid procedural approach to customer service towards proactive problem-solving. This was seen as core and critical to delivering in the uncertain environment that housing associations were entering following the financial crisis and policy changes under a new coalition government.

Driving the culture change was a customer strategy to move from traditional, somewhat paternalistic approaches, to relationships defined by independence and reciprocity. This required employees to develop beyond their narrow professional roles. The approach improved operational effectiveness by encouraging adult-to-adult relationships with customers and colleagues.

West Kent partnered with Park Sims Associates and *thirdspace* to deliver a range of interventions. Instead of traditional skills-based training, the initiative enabled individuals to take responsibility for their own personal growth and well-being – capacities considered vital within high-performing organisations.<sup>1</sup>

The cultural work has led to more effective leadership, increased authenticity and collaboration amongst staff, and more honest, responsive relationships with customers. Staff members have developed their resilience, well-being and readiness to respond creatively to uncertainty. These are essential skills given the rapid pace of change in the social housing sector.

<sup>1</sup>[www.parksims.co.uk](http://www.parksims.co.uk), [www.thirdspacecoaching.com](http://www.thirdspacecoaching.com)

For more information on this topic, RSL or Winmark, please visit our [website](#) and search our [Know How Library](#) or contact Tunde Hinton, Head of Network [tunde.hinton@winmarkglobal.com](mailto:tunde.hinton@winmarkglobal.com)

Culture before	Culture after
Process-driven interface with tenants	Problem solving
Politeness, indirect, inability to say 'no'	Authenticity, honesty, dignity, ability to say 'no'
Avoiding conflict	Addressing conflict
Discrete skills training from experts	Continuous deeper learning, self-development
Paternalistic, dependency; rescuing customers	Adult responsibility; enabling customers
Accepting	Challenging
'Can do'	Appropriate responsiveness
Blame others, victim mentality	Self-awareness, empathy

## West Kent Housing Association

West Kent Housing Association (West Kent) was one of the first housing associations formed from the transfer of local authority housing stock. Established in 1989, West Kent has a subsidiary – West Kent Extra – which runs community development initiatives and social enterprise projects.

Today West Kent operates in 11 local authority areas across Kent and Medway with homes-for-rent accounting for 90% of its stock and 10% made up of shared ownership and leaseholds. West Kent is the social landlord partner in a Private Finance Initiative providing 238 new homes for older residents and supported housing. It continues to build new homes across Kent for rent and low cost home ownership. It's important to West Kent to be both an attractive and respected employer, and an external influencer for the wider social housing sector.

### The impetus for change

The challenge was to introduce even greater customer focus for changing times, through technology, process change and reorganisation of staff teams. 'Culture change' was seen as integral. Change took place against a backdrop of austerity, but the management did not accept there was a trade-off between efficiency, customer focus and staff well-being. Instead, as an effective housing association with a social purpose, West Kent needed to deliver all three.

*"How we think about 'positive first response' has changed: we still want a 'can do' approach, but now recognise saying no is important too – we're able to articulate our capacity."*

**Frank Czarnowski, Chief Executive, West Kent Housing Association**

The drive for change came in spite of West Kent enjoying an enviable national reputation for excellence in customer service. In 2006, West Kent had become the first housing association to receive the highest rating (three stars) from the regulator. Then in 2009, West Kent became the first employer in Kent to receive an *Investors in People* Gold Standard. But the leadership believed their approach was not suited to the emerging challenges facing housing associations: welfare reform, austerity and the deregulation of consumer standards.

The Director of Housing championed the change, with the Human Resources and L&D teams in support. This operational leadership was critical in getting the whole organisation on board by communicating how the change was needed to serve both customers and staff. It contrasted with conventional ICT/change projects by insisting on the cultural focus and achieving unity and commitment from the whole leadership team to deep cultural transformation.

## The Customer Access Strategy – ‘It’s your call’

A new Customer Access Strategy (CAS) was created, named 'It's your call' with the target of enabling staff to deal with customer queries in one interaction (‘Right Person, Right Answer, First Time’).

Central to the strategy was the desire for frontline staff to work together with tenants to find solutions – rather than following procedures. This required ‘adult-to-adult’ relationships characterised by honesty, respect and a willingness to address differences and conflict. The organisation wanted staff to be responsive and engage on a human level so customers would know they were the central focus of attention. It was also about cultivating the ability to say 'no' as well as ‘yes’. A dysfunctional emphasis on politeness at the expense of honesty had become punishing to keep up and had led to a 'hamster wheel' mentality – ‘going the extra mile’ rather than doing the *right* thing.

The strategy involved generating a greater sense of connection between employees and their work: cultivating a sense of belonging. It encouraged employees to resist separating who they are from what they do – to bring their true selves into the workplace. By developing and engaging the ‘whole’ person, West Kent sought to foster a culture of mutual support (colleague co-commitment), challenge and operational excellence.

To enable such change, there was a shift away from competency frameworks and conventional skills building. Instead the focus moved towards individuals’ responsibility for their development through increasing self-awareness and learning capacity, based on the premise that ‘change is the norm’.

West Kent hold the view that by nurturing employees motivated to grow personally, the organisation will comprise of individuals with the capability to imagine alternative futures and the flexibility to adjust to unpredictable circumstances.

## Partnerships for change

In 2011, West Kent invited bids from external partners to deliver L&D requirements for its Customer Access Strategy (CAS). The tender process resulted in West Kent deciding to retain the services of Mary Guber International to provide skills training in customer service, complemented by a new partnership with Park Sims and *thirdspace* who introduced innovative approaches to adult development to forge the cultural change. The intention was to embed the customer service behaviours, bring the organisational values to life and cultivate a learning culture.

## The ‘deliberately developmental organisation’

West Kent, Park Sims and *thirdspace* drew on the work of recent research in leadership development – in particular the concept of the ‘deliberately developmental organisation’. Such organisations see encouraging employees to grow and develop through their work as an essential ingredient for high-performance and organisational flourishing.

The approach defines 'horizontal' and 'vertical' development. While the former relates to a suite of teachable skills, the latter focuses on stages of adult growth and individual responsibility for developing. In complex environments, agile cognitive, emotional, and relational abilities complement

the skills learned by more traditional methods. Other influences on the programme were the work of James Flaherty, who pioneered integral development coaching, and Robert Kegan and Lisa Lahey's work on 'competing commitments'.

Applying these approaches has brought about a transition from an emphasis on individual leaders, to leadership as a collective capacity shared by managers, individuals and teams. To flourish, this wider leadership capacity requires a new ability for self-observation and practising new behaviours. It focuses on individuals' capacity to meet new challenges creatively, while also championing efficiency and the learning of discrete new skills. Developing this capacity is achieved by expanding self-awareness, experimenting daily and ensuring there is time to pause and reflect.

## The process

Park Sims and *thirdspace* have worked side-by-side with West Kent for nearly five years [see 'timeline'] using a range of interventions, with differing degrees of impact. Here we have space for only a flavour of the programme. Following initial 'intake' workshops, the programme began with the Executive Team. This was essential as the top leadership team has such far reaching influence in an organisation. West Kent's Executive Team was receptive and became natural champions of the project. This helped spread acceptance of the programme. Subsequently, the programme was rolled out to the Operational Management Team and other peer groups.

The effort to embed the culture change took the form of: cross-team workshops; coaching circles; one-to-one coaching; peer support groups; listening projects (see panel page 6); away days and other tailored learning experiences.

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### *Timeline:*

*2011 Partnership with Park Sims and thirdspace begins.*

*2012 Focus groups. ET group development work. Individual coaching with ET. Workshops with Customer Contact Centre. OMIT initial session. All-staff event.*

*2013 Group coaching for ET, OMT, facilitation for Board away-days.*

*2014 Training for line managers in peer support. ET and OMT work together in directorate groups. Coaching circles open to all.*

*2015 Coach training for ET & OMT. All staff event.*

*2016 Coaching circles open to all. Self-generated development sessions with ET & OMT. Listen, plans, do, study, act.*

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## Coaching circles

Coaching circles give participants a safe and challenging place to work together over time on issues affecting them and their teams. At West Kent, individuals worked on topics such as realising commitments they had yet to bring about, and on addressing difficulties they were experiencing. Individuals chose the topics themselves with input from their manager, colleagues, family and friends.

The question they were encouraged to ask was: 'What, if I chose to work on it, what would most support me and those around me to flourish?'

The circles provided participants with a powerful sense that others face problems too, both within peer groups and across hierarchies in the organisation. In these sessions and in the course of 'Listening circles' (see inset) participants punctured the stories they told themselves about others. This allowed them to humanise everyone, cut through habitual judgements and grow their capacity for new thinking and effective, compassionate action.

*"There was a 'not listening culture'. Incredible, as we really have fantastic people working in the organisation. As a result, I picked up some really bad habits. I became a 'not saying person'. I had some great ideas to make a difference and I didn't bother sharing them... I'd gone to sleep.... Through the coaching circles I've learned I like to be inspired...to bring the best out in my team... to take responsibility and be accountable; to use the skills and expertise I have."*

**Shauna Healy, Head of Property Development**

All Executive Team and Operational Management Team members participated in coaching circles. The programme was then offered to the wider organisation with all staff being invited to apply. This helped bring about West Kent's intention to foster adult-adult relationships amongst colleagues. The voluntary nature of the programme ensured powerful commitment. Individuals who chose to participate found themselves in mixed groups from different teams. The intention was to cultivate enhanced relationships, trust and problem solving across-teams, dissolving silo-working.

## Obstacles

It took time to enrol people in this approach. There was a degree of scepticism and concern amongst some participants: questions arose around the cost and time involved, and how exactly it would benefit the wider organisation. In wider UK society, most education emphasises a 'consumer' attitude to accumulating knowledge. So participants at West Kent were less familiar with the programme's approach which emphasised continuous, organic adult development.

## Impact

*"How we think about 'positive first response' has changed: we still want a 'can do' approach, but now recognise saying no is important too – we're able to articulate our capacity"*

Since the initiative's launch in 2011, there have been many positive and enduring outcomes:

### ***Improved relational competence***

Across the organisation there is increased capacity to meet challenges with authenticity and without defensiveness. An increased self-awareness means people are better able to 'respond not react'.

### ***Better and fewer 'difficult' conversations***

An improved capacity for robust conversations has grown amongst all involved in the programme. Instead of valuing politeness over other virtues, honesty and respect took on more importance. A greater ability to say 'no' when appropriate led to better operational performance.

### ***Less 'us and them', 'victim mentality' and 'blame culture'***

Coaching circles and the listening work [see panel on next page] encouraged self-awareness and reflection. Cross-team coaching activity broke down silos and helped people talk to one another about critical matters in service of the customer strategy.

### ***Stronger leadership***

The programme had positive team-building effects. A stronger leadership team has provided more coherence and strategic direction.

### ***Operational performance and productivity***

Building long-lasting 'relational competence' has supported operational goals. The model of robust but compassionate conversations amongst staff was extended to interactions with customers. The previous politeness culture had prevented people 'cutting to the chase'. The change – dignified and sustainable for staff and tenants – had a material impact on productivity and delivering core purpose.

### ***Well-being***

Many staff have reported an increased sense of well-being and personal agency. This has enabled them to meet the demands of the environment and their roles, whilst also taking care of themselves and their life outside work.

### ***Self-correcting and self-generating***

West Kent encourage staff to 'try new things and take the opportunity to learn' and 'be responsible for your own development'. The language and mind-set of personal development now has more common currency with learning becoming less something done by the organisation for employees and more something people do for themselves. The executive team has reduced its dependence on external support by taking responsibility for their on-going development work. It has been a bigger challenge to achieve such a high level of self-correcting and self-generating behaviour outside the executive team: West Kent and their partners continue to explore and work on this.

*"I have managed to stop the more upsetting aspects of my work affecting me so much. I am generally more resilient and can be supportive of my colleagues without feeling overloaded."*

### **Sustainability**

West Kent has overcome the limitations of conventional change management, ensuring the benefits of new ICT and reorganised teams sustain and do not diminish over time. They have become a more resilient organisation, better able to face up to the pace of change. Individuals are confident they have colleagues they can work with on business critical challenges, opening up to new possibilities and horizons and becoming more skilful agents in a complex and changing world.

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**Listening Project** (as described in 'On Living and Working', [www.justinwise.co.uk](http://www.justinwise.co.uk))

Four groups of people drawn from different teams and different levels of the organisational hierarchy were given half a day to simply hear one another, in a very simple format inspired by [Barry Oshry's](#) 'Time Out of Time' meetings.

Each person had exactly the same amount of time to speak (8 minutes in this case). They could say whatever they wanted, as long as it was true and as long as it was offered with sincerity. Politeness (saying what's expected, what has people 'fit in' and not trouble anything or anyone) was discouraged. Respect (doing others the honour of truthfully saying what's there) was encouraged.

Everybody spoke, once. And everybody listened, many times.

As the time passed, something very beautiful began to unfold. People told the story, some for the first time, of what it was really like for them to work where they do. Not the public story that's been told a million times before. Not the official story. But the truer story of hopes and successes, friendships and support, genuine commitment to shared aims, and of many many difficulties. The frustration and overwhelm of emails and busy-ness. How little they often found themselves genuinely talking to one another. The hiding away and defensiveness. The fear of being judged or criticised. The assumptions and stories they had about each other's failings, and about each other's insincerity. The punishing shadow side of high aspirations that can rarely be fully realised.

And, as they talked, a new way of seeing began to emerge – a more systemic view, a more compassionate view, and a clearer view of how actions of one affect another.

Such conversations within organisations are vanishingly rare. So often, the wish to get busy, and to not have to encounter one another too deeply, turns people away from the simplicity and power of such a conversation, in which they come to understand each other's worlds enough to give them a chance to work skilfully together.

And yet conversations like these hold enormous power and possibility, because it's only when people start to really understand their colleagues as human beings, with worlds and commitments different to their own, that people have a chance to move beyond simplistic judgements and rigidity into a more fluid, honest kind of relationship in which everyone has the chance to step forward and contribute.

All of that requires a particular kind of listening.

Conversations *for relationship* are not some soft luxury, but the necessary background upon which requests and promises come to mean something around which we can take coherent action.

**Justin Wise, *thirdspace***

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## Lessons learned

### ➤ *Importance of leadership*

The support of the Chief Executive and Executive Team as informed advocates for the programme was vital. The Operational Director's sponsorship was critical to gain the support of frontline employees.

### ➤ *Integrating diverse parts of the organisation*

Once the top-down commitment was secured, it was important to work concurrently with different parts of the organisation. This helped bring more voices and thus flexibility to the design of the interventions rather than relying on a pre-set formula. West Kent had periodic reviews to indicate the evolving and cumulative nature of the work.

### ➤ *Integrating with other initiatives*

West Kent integrated the various programmes and avoided the pitfalls of 'initiative-itis' and project overload. In addition to the ICT, process change and staff re-organisations, West Kent relied heavily on the 'Engage for Success' model<sup>2</sup> to help retain staff engagement and high performance.

### ➤ *Responding to expectations for measured and predicted results in short time frames*

The success of ambitious culture change projects needs to be reflected upon holistically, not judged on narrow criteria. Change programmes are expected to deliver tangible results and pre-defined benefits at a particular time. Directors and programme champions had to resist the temptation to seek out short term 'output' data and keep faith that the process would reap long term benefits.

### ➤ *Culture change may lead to success in unexpected places*

There may be positive outcomes which were not those explicitly targeted. Success and change may not appear in a clear linear pattern; progress may take more of an organic form with tangential benefits leading to unexpected results. It is valuable to teach people to look for success in various forms, not just those that are expected.

### ➤ *Keep it simple*

Park Sims and *thirdspace* introduced developmental theory early in the programme. This introduced an unnecessary element of complexity which got in the way of building relationships. The most powerful work is often the simplest – just convening people regularly to talk. As people's capacity to talk and listen increases, the greater the effects.

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<sup>2</sup> <http://engageforsuccess.org/>



## Next steps

Approaching 2017, the next steps were:

- The executive team's continuing efforts with self-generating learning: this is supported by monthly group sessions, with a rota so each member takes turn to organise the session, occasionally seeking advice from Park Sims/*thirdspace*.
  - Voluntary enrolment to a fifth coaching circle has been completed, with a range of staff from different parts of the organisation choosing for this type of development opportunity.
  - A further round of coaching circles for senior operational managers is about to begin with the strapline *Leading from the Middle*: this will allow more exposure to the approaches for people involved in previous circles; and opportunity for more recently appointed people to be introduced to the methodology. This cohort has been prioritised because they are critical to the next phase of our change programmes, particularly cost management plans formed in the wake of the 1% rent reduction announcement and the board's determination to expand the programme to build new homes, whilst retaining a 35% operating margin.
  - This is all possible in the context of reducing our training budgets by 20% - testimony to the cultural shift from training to learning – with more cost effective methods across the board - including e-learning - to ensure the necessary skills and capacity is in place to meet the challenges ahead.
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## References

- See Nick Petrie, 'Future trends in leadership development' (Centre for Creative Leadership, 2011).
- R. Kegan and L. Lahey, 'Immunity to change: how to overcome it and unlock potential in yourself and your organisation' (Harvard Business School Press, 2009).
- R. Kegan, L. Lahey and Andy Fleming, 'Does your company make you a better person?' (HBR Blog Network, January 2014)