

Changing an Organizational Culture through Social Dialogue: Experience at Sri Lanka Telecom

Introduction

There is a continuing debate on the feasibility and even the desirability of changing organisational cultures through managerial interventions. Those who follow the anthropological approach tend to view the organisation as a culture in itself, a root metaphor, which cannot be manipulated or changed by such interventions (Meek 1988). Others, while taking a less orthodox view, have shown the difficulty of changing organisational cultures due to several reasons, including time and resource commitments and the ethical questions arising out of managers' attempts to change employees' beliefs and values (Harrison & Shirom 1999; Willmott 1993). The alternative approach is to look at culture as something that the organisation has, a variable that can be manipulated and managed, though with some difficulty, to achieve specific organisational objectives (Armstrong 1990; Goffee & Jones 1998). Proponents of this approach are of the view that managers have a responsibility to review organisation culture and make appropriate adjustments to suit growing organisational complexity and to meet changing environmental circumstances (Deal & Kennedy 1982; Mabey & Salaman 1995; Thornhill et. al., 2000;). The 'success stories' of major culture change programmes at British Airways, ICL and British Telecom (Armstrong 1990; Price & Murphy 1987) and Nissan (Kotter & Heskett 1992) are frequently cited as prime examples of effective culture change through managerial interventions.

Two major approaches to changing an organisation culture have been identified: the top down and the bottom up (Thornhill et al., 2000). In the top down, which is sometimes referred to as the 'culture engineering approach' (See Palmer & Handy 2000), it is assumed that the management and in particular the top management of an organisation has full knowledge of the desired values, norms and the behaviour expected of all organisational members to achieve success.

Hence the top management of an organisation has the right and the ability to create, maintain and change the culture. This is usually done through several human resource interventions such as re-organisations, organisation development, communication strategies, training, recruitment of like minded individuals, management by objectives, performance management and reward management (Armstrong 1990; Thompson & Mabey 1994; Thornhill et. al.,2000). The success stories at British Airways and other organisations mentioned above are typical examples of the top down approach. Despite the reported achievements, this approach has been questioned and criticised for being strong in rhetoric but weak in practice (Watson 1996), too managerialist and manipulative and for underestimating employee resistance (Beer, Eisenstat & Spector 1990). Ethical considerations apart, the effectiveness of the approach itself has been questioned. For example, after analysing the outcomes of a planned culture change programme in a Scottish local authority, Martin, Beaumont and Staines (1998) observed that such programmes could lead to vicious circles of dysfunctional behaviour. Similarly, Legge (1995) has noted that the changes reported in most studies on planned cultural change have been largely behavioural with little evidence of attitudinal commitment.

In contrast, the bottom up approach attempts to bring about culture change in a participative and interactive manner. Under this approach, one or few pilot units or sections become the focal point for culture change. The lessons learned in the pilot units, which eventually become 'role models', are used to spread the desired changes to other parts of the organisation. Usually the changes are implemented in several stages. At each stage the role of management is to support and reinforce the change process through appropriate human resource interventions. During the initial stages of change, managers may spend considerable time and effort in training the staff to acquire the skills seen as desired for the new culture but progressively attention is focused on placing the correct personnel through recruitment and transfers. In the latter stages, systems, policies, structures and

performance appraisal systems are installed to stabilise the new culture (Thornhill et. al., 2000).

While the bottom approach provides greater opportunities for employee involvement in culture change, a key question that needs to be explored in some detail is the role of employer employee dialogue in diagnosing cultural issues, identifying the values and norms of the desired culture, and planning and implementing culture change programmes. Although much has been written on the role of communication in enhancing organisational effectiveness (for example Tourish & Hargie 2000), and to some extent on the use of communication as a vehicle for spreading top management values (Armstrong 1990), there has not been much emphasis on the role of employer employee dialogue in culture change. The case material presented in this chapter illustrates the experience of a Sri Lankan organisation in the telecommunications sector that has made an attempt, amidst mounting difficulties, to change its culture through improved dialogue between management and other employees.

Social Dialogue and Culture Change

The term 'social dialogue' is widely used by the International Labour Organisation (ILO) to refer to all types of negotiations, consultation or simply exchange of information between or among representatives of governments, employers and workers on issues of common interest relating to economic social policy (Thamarajakshi 2001). Sometimes it is referred to as 'social concertation' whereby employers, worker representatives and governments develop a reflex for acting in a concerted and multifaceted manner to address all major national economic and social policy issues by seeking consensus. In this process informal relationships are considered as important as the formal ones (Trebilcock 1994). Despite difference in terminology, both definitions have emphasised consensus building among the parties as an important outcome of the dialogue process.

Social dialogue is considered as a tool for promoting stable democratic values, dealing with labour management conflicts, empowering those who lack power over others as well as themselves, creating harmony even when there is no overt conflict, fostering communication, helping groups to face crises and generating solutions to problems and qualitatively improve the lives of people (Thamarajakshi 2001). In addition, the following analysis of the Sri Lankan experience illustrates the possible application of social dialogue as a tool for planning and implementing culture changes within organisations.

As a tool for cultural change, social dialogue has several potential strengths to mitigate the undesirable effects of the traditional approaches. Where the cultural engineering approach is concerned, one of the serious concerns has been the moral right of top management to force a value system down employees' throats when they are not ready to swallow it. This is the case in some Sri Lankan organisations where the majority of the employees tend to claim ignorance or disown the 'core organisation values' officially proclaimed by corporate management and found very often in annual reports and corporate profiles. On the other hand, a perennial problem with the bottom up approach is lack of support and commitment from corporate management, which invariably leads to employee skepticism regarding its effectiveness sans management support. In both cases social dialogue could be a powerful antidote as it is firmly rooted in a strong belief in participative communication and the competence of each party in the communication process to make a distinct contribution. The case material presented in this paper provides some scope to examine the validity of this proposition.

Sri Lanka Telecom

Sri Lanka Telecom, which at present is the market leader in telecommunications in Sri Lanka, started as a government department. It was converted to a public corporation in 1991 and privatised in 1996. In 1997 Nippon Telegraph and Telephone (NTT) Corporation of Japan became the strategic partner of Sri Lanka

Telecom. Under this partnership arrangement the NTT bought 35% of the company shares and took over the management of SLT for a period of five years. The old management structure was replaced with a new one based on organisation structuring practices in Japanese enterprises. Some of the main features of the new structure are the creation of functional 'Groups' comprising 'Divisions' and 'Sections' and the re-designation of managerial positions similar to those found in Japanese enterprises. Activities within each Division have been further divided into one or more Sections. Following Japanese management practices the respective heads have been designated as Head of Group (*Bucho*), Head of Division (*Kacho*) and Head of Section (*Kakaricho*).

The company has a workforce of 8200. Of this number 27% are female employees. Around 95% of the employees are unionised and they are covered by 31 unions. 18 unions are industry specific and craft based while 4 are affiliated to political parties. The largest union, Joint Organisation of Telecommunication Trade Unions (JOTTU) is the apex body representing 19 unions and it has a total membership of over 6100 employees.

The privatisation process at SLT is considered as a unique experience where the importance of labour management dialogue had been explicitly recognised. No workers were retrenched but there was considerable bargaining on some critical issues relating to pension rights of those who had been employed from the time Telecom functioned as a government department. The transition process was a smooth one as various phased out strategies were adopted during this period to strengthen labour management dialogue and to solicit worker co-operation (Salih 2000).

Nevertheless, the transition process was not accompanied by corresponding changes in the mind-set and behavior patterns of employees who continued to live with the past legacies of government bureaucratic administration. Although the new management developed organisational vision and mission statements

and 21 corporate objectives which were incorporated in a document known as 'Vision 21'. there were serious doubts whether the average telecom employee had internalised or shared this vision and the mission. Indeed there was little scope for such internalisation as the company culture, as seen by the labour relations task force (See below), was characterised by enforced commitment, lack of belongingness, passive employee behaviour, unsettled grievances, struggles between power groups, inter-union conflict, poor teamwork, mistrust and suspicion and a gap between managers and other employees. In most respects the organisational culture at the SLT resembled the features of a 'fragmented culture' with low solidarity and sociability (For details of a fragmented culture see Goffee & Jones 1998). This culture had its own lineage in the industrial relations system of the past. The main features of this system, as seen by the task force, were trade union multiplicity and political affiliations, both of which had led to inter-union rivalry and overdependence on outside fora, tension and mistrust, adversarial relations between management and unions and constant 'trade union actions' as against dialogue.

The lack of employee awareness and even commitment to Vision 21 was yet another example of the severe limitation of the conventional culture engineering approach. Some managers as well as some trade union leaders gradually began to realise that there was a strategic misfit between the business needs of the new company and the prevailing employee work ethics, which were products of a bygone era. It was against this backdrop that the company found the Social Dialogue and Workplace Co-operation Project of the ILO a suitable launching pad to initiate a process of change aimed at transforming the culture and the industrial relations atmosphere at the SLT.

Culture Change at the SLT: The Start up Phase

The need for culture change as a major challenge of the company was identified by a joint group of management and trade union representatives who participated in the first ILO national workshop on social dialogue held in March 2000. The

workshop opened an arena for both groups to initiate a dialogue in a spirit of co-operation than confrontation. The dialogue centered on two inter-related themes: identifying future challenges of the company and formulating action plans to address them. The joint management union group identified the following as the major challenges:

- ❑ Facing competition and sustaining market leadership in an aggressive and ultra-modern market
- ❑ Introducing new technology
- ❑ Improving productivity and quality
- ❑ Changing the existing organisational culture and work ethics
- ❑ Creating a sense of belongingness among employees.

Out of these challenges, the issue of culture change was given top most priority in formulating the action plans. Among the concrete actions proposed in this plan were conducting awareness programmes on sound industrial relations with workplace co-operation through social dialogue as the main theme, employee training on communication and attitude change, setting up guidelines on internal and external customer relations and introducing a grievance handling procedure with the involvement of line managers. However, unlike conventional business or corporate plans it had no binding effect on either party. In keeping with the very nature of dialogue the plan was kept open for possible revisions in the future.

Initial Phase: Obtaining the consent and support of trade union leaders and senior management through dialogue

After the workshop deliberations, two separate sessions, first with a wider group of trade union leaders and thereafter with several senior managers were held to secure their co-operation to expand the dialogue to a wider constituency. Both were organised by the Head of Industrial Relations who participated in the original workshop. The national co-ordinator of the Social Dialogue Project in Sri Lanka facilitated both sessions. The session with trade union leaders turned out to be a very stormy one at the outset with overt manifestations of inter-union

rivalry, but it gradually turned into a constructive dialogue when some trade union representatives, while agreeing with the challenges identified by the joint management-union group, stressed the need to address them through a concrete action programme. The session ended up with a positive note when they arrived at a consensus to 'experiment' with the project. Furthermore, they nominated their representatives to serve on a task force to monitor its progress. The managers also showed a positive response and made their own nominations to the task force. Finally a labour relations task force comprising five senior managers and five trade union representatives was established in July 2000.

The task force met at various intervals to review progress of the action plan as well as to identify new themes and issues for the dialogue. A fresh initiative was taken to change the mind-set of employees towards a customer-oriented culture. As a result several categories of employees were given training in communication and interpersonal skills. The presentation style of the house journal 'Emathuma' (Addressing) was modified to publish articles and news items promoting the vision and the value system of a customer-oriented culture.

Despite these modest achievements, the culture change programme envisaged in the action plan and subsequently endorsed by the task force moved only at a slow pace. The task force saw the following as factors impeding the anticipated progress:

- ❑ Large size of the organisation that had made effective dissemination of information somewhat problematic
- ❑ The existence of a large number of occupational categories, which in the past, has led to multiple unionism with different and sometimes conflicting objectives
- ❑ The existence of different sub-cultures based on parochial factors, which in other words, was reminiscent of a fragmented culture

There was also the issue of official recognition of the task force as it operated more as a voluntary body formed through dialogue among the unions on the one hand and between unions and management on the other and not as one officially appointed by the top management. Although this issue did not discourage the task force members from proceeding with their work, they realised the importance of gaining official recognition especially since Telecom employees had been tuned to respond to formal messages in the form of circulars coming from the top. Understandably, this was a residue of the departmental style of administration, which had not disappeared even after privatisation. The efforts of the task force materialised when the Chief Executive Officer (CEO) who was a Japanese, issued a circular to all employees announcing the decision to grant official recognition to it. The circular made specific reference to:

- ❑ Challenges previously identified by the joint union management group
- ❑ The need to change the work culture of the SLT to face them
- ❑ Objectives and functions of the task force and
- ❑ The broad strategies to achieve those objectives.

Among the main strategies of the task force were the following:

- ❑ Conducting workshops and seminars on workplace co-operation and attitude change for SLT employees with the co-operation of trade unions
- ❑ Encouraging creative ideas of employees
- ❑ Introducing self-managed teams
- ❑ Creating a customer oriented workforce
- ❑ Removing communication restrictions between managers and the subordinate staff
- ❑ Establishing labour relations committees/task forces at the regional level.

The 'green light' given by the CEO not only empowered the task force to carry out its mission but it also reiterated the top management's commitment to involve in the culture change process through dialogue. This was in marked contrast to the culture engineering approach that rests heavily on the supremacy of top

management to decide on the content and process of culture change. Thus the official recognition of the workplace co-operation task force provided a major impetus to the culture change programme at the SLT. The task force gathered further strength to carry out its mission when the top management decided to incorporate workplace co-operation as a core industrial relations theme in the company's annual business plan. Section 6.3.1. of the Business Plan for 2002 reads as follows:

SLT believes that Workplace Co-operation is very necessary to win the willing co-operation and total commitment of our work force.... Furthermore SLT believes that participatory management system, where managers, trade unions and employees get together and solve problems and matters of mutual concern is also necessary for effective workplace co-operation (Sri Lanka Telecom 2001).

It is now believed that workplace co-operation will continue to be a major item in the business planning process at the SLT.

From a learning point of view, the experience during the start up and initial phases illustrates four important lessons. First, it lends further support to the limitation of the culture engineering approach, which is essentially a top to bottom one with limited room for dialogue. This was evident from senior managers' own admission of the little impact of the 'Vision 21' on the average SLT employee. Thus the telecom experience raises serious doubts about the validity of the assertion that managers alone have both the ability and the right to create, maintain and change an organisational culture (Palmer & Handy 2000). Second, the experience also shows the crucial role of dialogue in building consensus on strategically important themes among different parties, sometimes having conflicting ideologies. This was best exemplified by the consent of the enterprise trade union representatives to work on a common agenda in spite of their ideological differences. Third, the experience provides some insight into the debate on the effectiveness of creating institutional structures to facilitate organisational change. One of the recurring themes in workplace co-operation is whether such structures should precede or follow the dialogue. In the past the Sri

Lankan experience in general has amply demonstrated that establishing institutional structures either legally or through an administrative decree of a super-ordinate authority before commencing the dialogue has often been short lived (Chandratilleke 1997). On the other hand, the SLT experience illustrates the emergence of an appropriate structure through the dialogue. The voluntarism of managers and trade union representatives to operate it and the subsequent decision of the top management to grant legitimacy to it further justifies the efficacy of this approach over the traditional approach of creating structures as a pre-requisite for dialogue. Fourth, the experience also demonstrates that when initiating a dialogue among parties who are reluctant to communicate with each other due to adversarial relations, the external facilitator has to play a variety of roles including information sharing, awareness creation through training, trust building among the parties and even resolving potential conflict through the establishment of superordinate goals. For example, during the initial meetings with the two groups, the facilitator served mainly as a conduit for the exchange of information between the reluctant parties. At a latter stage he shifted his role to awareness creation by actively involving in training the SLT staff on the paradigm shift in employer employee relations deriving from workplace co-operation principles. In some of the training sessions, during which the more militant trade union leaders questioned the viability of the workplace co-operation programme due to hierarchical and even polarised relationship between management and workers, the facilitator had to draw their attention to reflect on the challenges that had been jointly identified by managers and the trade union representatives. This was an example of using super-ordinate goals to manage a possible conflict between the two groups. Had the facilitator failed in seizing such opportunities the dialogue between the two parties would have ended in a deadlock.

Dialogue in Action: The Dissemination Phase

The empowered task force launched an intervention programme to disseminate the concept of workplace co-operation through dialogue in the regional offices as

well as in the functional groups of the head office. The major activities in the intervention programme were the following:

- ❑ Conducting awareness creation seminars on workplace co-operation for managers and trade union leaders of the company
- ❑ Conducting action oriented workshops to strengthen workplace co-operation in the regions and in different functional divisions in the head office
- ❑ Establishing sub committees to monitor the progress of workplace co-operation programmes in the head office and in the regions
- ❑ Developing selected regional telecommunication offices as model projects on workplace co-operation
- ❑ Strengthening the grievance handling mechanism
- ❑ Strengthening relations with trade unions through a better dialogue.

The seminars and workshops have been and continue to be the dominant strategy in expanding social dialogue to a wider segment of the SLT staff. Initially, awareness building seminars were organised for managers at senior, middle and junior levels as well as trade union leaders. These were followed by more focused workshops for the staff in the regions and in the head office.

The workshops have provided a forum for both managers and other employees to initiate a dialogue on the desired attributes of the SLT culture. Some of the key attributes of the desired culture identified at these workshops are:

- ❑ Tolerance of diversity
- ❑ Sense of belongingness
- ❑ Self discipline
- ❑ Empowerment
- ❑ Winning/willing co-operation
- ❑ Continuous learning
- ❑ Willingness to change
- ❑ Empathy in interpersonal relations

- ❑ Mutual trust and respect
- ❑ Improved customer relations
- ❑ Open communication and social dialogue!

This achievement, which was a major deviation from the culture engineering approach, was perhaps the major breakthrough in planning the intervention programme.

Eight workshops on workplace co-operation covering senior managers, middle and junior managers, trade union leaders, employees of the Human Resource and Finance Groups and staff of two provinces have been conducted during 2000 -2001. The workshops culminated in the formulation of action plans to promote workplace co-operation and initiate the desired cultural changes.

In addition, seven regional sub-committees on workplace co-operation have been established in the regional telecommunication offices, which are the main service delivery centres for telephone subscribers. The sub committees serve as a conduit for the flow of information on matters relating to workplace co-operation between the main labour relations task force and the different regional offices and the Groups. In order to maintain flexibility, which is very much required for an effective dialogue, the functions of these sub-committees are being reviewed at various stages. For example, since of late the sub-committees have been empowered to function as grievance committees on an experimental basis for one year.

A new grievance procedure has been formulated by the Labour Relations Task Force with the active involvement of the Head of Industrial Relations. It was implemented on an experimental basis in one of the model offices. As the experiment has yielded positive results, the management plans to extend it to all the other divisions and offices.

The development of selected regional telecommunication offices in the Uva and Sabaragamuwa Provinces as model projects of workplace co-operation was yet another innovative step in the culture change programme. These offices have become the experimental units for testing the effectiveness of new patterns of workplace relations based on the values and norms of the desired culture. As shown in the following case material, the office in the provincial town of Avissawella in the Sabaragamuwa Province in particular has become a model for possible replication in other regions.

The Outcome of Dialogue

As the transformation process at the SLT is on going it is somewhat pre-mature to evaluate the outcome of the intervention using rigid criteria such as those suggested by Bate (1994)¹. During this transition period there is also resistance from some managers as well as some unions who do not appear to have much faith in employer employee dialogue. For example, allegations continue against trade union representatives of the task force for being allegedly involved with the management to weaken trade union agitation. On the other hand, some managers who continue to adopt an anti-union stance due to adversarial relations with unions in the past, have shown little or no interest in the workplace co-operation programme and have even opted out of the workshops. The large size of the organisation with an island wide network and multiple unionism, which in itself is an outcome of the existence of a large number of occupational categories, has further retarded the achievement of desired cultural changes. Thus in the present context, it is more meaningful to capture any emerging trends

¹ Bate (1994) has suggested five criteria to assess the effectiveness of culture change programmes:

Expressiveness	The extent to which the programme has a compelling vision
Commonality	The extent to which the programme generates a communion of purpose
Penetration	The extent to which the programme permeates through different levels
Adaptability	The capability of the programme to adjust to changing circumstances
Durability	The capability of the programme to create a lasting change in the culture

in the general climate of industrial relations than to search for precise indicators of culture change.

Since the implementation of the workplace co-operation programme, relations between managers and other employees and also among employees themselves have become less adversarial. This has been clearly evident from the absence of strikes and other forms of serious industrial disputes, and a drastic drop in agitational posters and scurrilous pamphlets. In the past all these were prominent features of the 'fragmented culture'.

A new literature on workplace co-operation has emerged. Since the introduction of the programme, almost every issue of the house journal 'Emathuma' has carried feature articles and other news items on workplace co-operation. Trade union leaders have seen this as a major deviation from the past when no space was provided in the house journal to carry any news items to depict the importance of employer employee dialogue.

The change programme has resulted in an increasing demand for further training in workplace co-operation and other themes relating to human resource management. At the initial stage of the change intervention there was only a lukewarm response to seminars and workshops on this theme and sections of managers and union leaders showed skepticism and even open resistance. However, the few awareness seminars and the action oriented workshops have created a snowball effect with more requests being made by the staff in the regions and in the head office to conduct similar training. Due to increasing demand plans are afoot to conduct 12 more workshops in 2002. This in itself is a clear reflection of the emergence of one of the attributes of the desired culture - *increasing desire for learning*.

Another positive impact has been the readiness of trade union leaders to tolerate diverse views. According to some union leaders, the ability to tolerate such

diversity was totally lacking before introducing the workplace co-operation programme. After two years of active experimentation most trade union leaders have disciplined themselves to listen to and respect others' views even if they are of a dissenting nature. This should be considered as a significant achievement as *tolerance of diversity and respect for each other* have also been attributes of the desired culture.

Perhaps the most tangible outcomes of the programme have been visible improvements in interpersonal relations among the employees on the one hand and customer relations, both internal and external, on the other. In the following section this is illustrated with concrete examples taken from the Finance and Human Resource Groups in the Head office and the Avissawella Regional Telecommunication Office (RTO).

Finance Group

The Finance Group, which is responsible for local and foreign payments, treasury management, budget preparation and control and the maintenance of accounting systems, has a staff strength of 154 including managers, clerical staff members and the support staff. Most of the transactions of the finance group are with internal customers, that is other groups and units of the company. However, like in most government establishments, those in the finance group had a tendency to conform to established procedures with a general lack of concern for the needs of the internal customers. This had resulted in consistent delays in responding to queries and requests coming from other sections and units. As identified by the workplace co-operation sub-committee of the Finance Group, the working relationships had been strictly hierarchical between superiors and the subordinate staff and there had been too much of compartmentalisation among the different divisions and sections within group. Despite physical proximity most employees remained aloof from each other and rarely did they engage in face to face communication and greet their own colleagues in the morning. According to the conservative estimates of the sub-committee, 40% of

the employees in the Group did not know each other by name. It was against this background that a representative group of the Finance staff including several managers participated in a workshop on workplace co-operation.

Besides imparting new knowledge on the importance of workplace co-operation, the workshop provided ample opportunities for the staff who had hitherto remained aloof from each other to have close interactions. The workshop culminated not only in the formulation of an action plan but also in the melting of stiff interpersonal relationships among them. Summarising this development, one of the senior members of the clerical staff stated thus:

Those days we knew that there was a staff working in the finance group. Perhaps they saw each other in the morning but never had the habit of greeting each other. In fact some of them never bothered to talk with others except on strictly official matters. Today we see a different situation. People talk to each other. At least they have learned to say good morning. Now we know most of them by their names.

Some employees, who are not members of the sub-committee, also have endorsed these views. Besides improving interpersonal relations, these employees saw that the programme has injected a new spirit into them to look at their own role as service providers to other groups, divisions and sections of the company. In a very modest sense this perceptual change was an indicator of the changing attitude towards internal customers.

At the time of this study, the sub committee was planning for an informal get together as a relapse prevention strategy. Nevertheless, some employees in the group were less optimistic about the sustainability of the change and their skepticism was mainly due to lack of interest and involvement of their own executive staff. According to them the impact of the programme has been marginal particularly on the executive staff. They were of the view that the euphoria created by the workshop could be shortlived as most of the executive staff, who continue to be more directive than participative in their leadership

style, were not willing to change. These concerns have been taken up for further discussion by the workplace co-operation task force which will have to play a key role in soliciting the support of the executive staff to prevent a possible relapse.

Human Resource (HR) Group

The Human Resource Group, which has a staff of 142 including both executives and non-executives, comprises three divisions i.e., Human Resource Development, Human Resource Administration and Industrial Relations and Welfare. The Group, which was largely instrumental in introducing the workplace co-operation programme to the SLT, continues to play a lead role in disseminating it to other wings of the company. As in the case of the Finance Group the relationships of the HR Group are mostly with internal customers.

The main features of the old culture and the work habits of employees in the HR Group as described by a sample of employees including some executives were:

- ❑ Wide gap between management and workers
- ❑ Poor listening ability of executives particularly in respect of employee grievances
- ❑ Lack of punctuality
- ❑ Poor records management
- ❑ Poor team work
- ❑ Reluctance to share responsibility
- ❑ Red tape.

The intervention was led by the Heads of Industrial Relations and Human Resource Development Divisions of the HR Group with the active involvement of the workplace co-operation task force. Initially an action-oriented workshop was held for a representative group of the HR staff. The workshop ended with the formulation of an elaborate action plan incorporating the following specific activities:

- ❑ Forming workplace co-operation sub-committees and teams within the Group
- ❑ Holding monthly meetings to review overall progress of the programme
- ❑ Gaining a proper understanding of the functions of other Groups, Divisions and Sections of the company
- ❑ Implementation of 5S practices for better house keeping
- ❑ Increasing internal customer satisfaction through prompt attention to their needs
- ❑ Proper evaluation of staff performance within the Group
- ❑ Organising social functions such as 'outings' for HR staff and their families to improve interpersonal relations.

A four member sub-committee comprising three executives and an assistant administrative officer has been appointed to co-ordinate the change programme. The committee functions under the overall guidance of the Heads of Human Resource Development and Industrial Relations. In comparison with the Finance Group the continued involvement of these senior managers in the programme has created more optimism among HR employees regarding its outcome.

As reported by several employees a number of behavioural changes resulting from the programme have surfaced. Where the executive staff is concerned, a tendency to pay greater attention to human resource issues than in the past and the willingness to be more receptive to ideas and suggestions of the non-executive staff have been discernible. On the whole the staff has learned to give speedy and positive responses to requests and queries coming from their internal customers in a more courteous manner than in the past. In addition, the employees saw a definite improvement in interpersonal relations among all categories of staff in the HR Group.

Evidently, the behavioural changes have been accompanied by certain tangible outcomes. These outcomes along with their possible bearing on the specific attributes of the desired culture are shown in the following table.

Table 1
Tangible outcomes and their Relationship with the Desired Culture

Tangible Outcome	Relevant Cultural Attribute
Speedy processing of papers connected with the payment of Employees' Provident Fund (EPF) and the Employees' Trust Fund (ETF)	Concern for customer relations
Greater personal attention in handling accident insurance claims	Empathy in interpersonal relations
Greater participation in social functions (Attendance at funerals of employees' family and close relatives, visiting the sick employees either at home or in hospital, participation in birthday parties etc.,)	Sense of belongingness
Better maintenance of files and records	Self discipline
A considerable reduction in the rate of no pay leave taken by the employees due to internal counselling	Self discipline
An improved lay out for the HR Group	Willingness to change

Nevertheless, there still remain several snags that have to be ironed out to create a lasting impact of the change. While there has been too much of *unfreezing* at the commencement of the intervention, enough attention has not been given to *refreeze* the change through the establishment of appropriate mechanisms. This was clear from the responses of some employees who complained about lack of proper follow up after formulating the action plan and also the questionable

credibility of some executives who provide leadership to the programme. Advocates of organisational change have often pointed out the need for establishing transitional management structures to monitor and co-ordinate large scale change interventions (See for example Nadler 1981; Beckhard & Pritchard 1992). The establishment of the workplace co-operation task force with the blessings of the CEO was a major step in fulfilling this need. Although the task force, as a transitional management structure, has made considerable progress in laying the groundwork for the culture change programme, it is rather doubtful whether efforts of this body has created the cascading effect at various levels of the organisation. The lack of employees' faith in some executives who are expected to provide leadership to the change at the Group level and also their sense of disappointment with the progress of the sub-committee leaves some room to cast such doubts.

Regional Telecommunication Office (RTO) - Avissawella

The RTO, which is located in the provincial town of Avissawella, is one of the three RTO offices in the Sabaragamuwa Province of Sri Lanka. It serves 8200 telephone subscribers living in a geographical area of 958 square kilometers. The main services offered by the office are providing new telephone connections and enhanced facilities such as international direct dialing (IDD), e-mail and internet connections, call forwarding and hunting facilities, line maintenance and revenue collection. It also has six remote exchanges located in different localities within the area. Being a service delivery point to the subscribers, managing external customer relations is one of the crucial functions of this office. The office has a staff of 125 personnel including the Regional Telecommunication Office Manager (RTOM), 3 District Inspectors of Telecommunication (DIT) and 3 Inspectors of Post and Telecommunications (IPT). The RTOM, who is an engineer by profession, is the head of the Office. He in turn reports to the Provincial Director.

Avissawella RTO was no exception to the fragmented culture found in the rest of the organisation. The employees in different work units of the office operated in watertight compartments. There was little group cohesiveness among the staff as they belonged to several 'in groups' who did not co-operate with 'out groups.' Lack of co-operation between the staff in the telex room and the telephone room was a case in point. Members of each 'in group' distanced themselves from others and rarely did the different 'in groups' found time to socialise with each other during lunch and rest breaks. The lack of belongingness among the staff had resulted in some degree of red tape causing inconvenience to the external customer. It was not very unusual for the employees to strictly adhere to rules and procedures at the expense of customer relations. There was also a psychological inhibition among the employees as no mechanism was available to air their grievances. The physical atmosphere of the office was not conducive enough to create a sense of pride among the employees or to enhance their work motivation.

The initiative for introducing the workplace co-operation programme to the RTO staff came from the Provincial Director who had earlier participated in an awareness seminar on the subject organised by the workplace co-operation task force in the head office. The director found social dialogue as a useful mechanism to foster the much needed team spirit and cohesiveness among the staff of the Avissawella RTO. Led by her initiative, 10 employees of the RTO including the RTOM participated in a two day workshop on workplace co-operation held in October 2001. The final outcome of the workshop was an action plan which envisaged the following:

- ❑ Forming a workplace co-operation sub-committee
- ❑ Holding regular meetings with the staff to create awareness on the importance of workplace co-operation
- ❑ Developing leadership within each work unit in the office
- ❑ Reducing the incidence of no pay leave of the staff

- ❑ Using the workplace co-operation programme as the main channel for upward and downward communication
- ❑ Designing a system to evaluate work performance of the different units in the office
- ❑ Improving the physical work environment through the application of the 5S method.

The committee, which was formed as envisaged in the action plan, held an initial meeting with other employees of the office to explain the need for, objectives and the benefits of workplace co-operation. At this meeting a decision was also made to form 10 sub-committees, each led by a member of the main committee, to represent the different work units. The role of the sub-committees was to disseminate workplace co-operation in their respective work units.

The efforts of the workplace co-operation committee brought in some positive results. The different 'in groups' gradually began to meet in one place during lunch and tea breaks. Encouraged by this development, a *Shramadana* campaign was organised to solicit the participation of every employee including those who showed resistance and a lukewarm response toward workplace co-operation. At the end of the day, an informal meeting was held with all those who participated in the campaign. The meeting served as a brainstorming session for employees to discuss issues mostly relating to interpersonal relations and also to provide feedback to the RTOM. The meeting was largely instrumental in building employees' confidence in management's commitment to workplace co-operation through dialogue. An immediate outcome of the meeting was the increase in the membership of the Staff Welfare Society from 56% to 96%. The RTOM and the members of the committee asserted that the meeting was a great leap forward in enlisting employee support to the workplace co-operation programme.

Although hard indicators of the impact of the programme upon business performance of the RTO are yet to be developed, within a relatively shorter

period the programme has made a positive impact upon the work culture of the office. First and foremost, employees who continued as members of several 'in groups' with different agenda, have increasingly begun to dialogue with each other by sitting together during the lunch and tea breaks. According to members of the workplace co-operation sub-committee, this has been a significant achievement. The dialogue opened during these breaks has led to a series of other social events, such as an office outing, and a get together including a sports event open to employees and their families, all organised by the welfare society of the office. All these events have contributed in no small measure to instill a sense of belongingness among the staff.

Through the dialogue it has been possible to arrange internal transfers to give employees a wider exposure to operations in different work units of the office. Prior to the intervention this was virtually impossible due to resistance from unions. Such transfers are expected to minimise or eliminate boredom associated with job longevity thereby increasing the intrinsic satisfaction of the employees.

As per the decision of the Human Resource Group the workplace co-operation committee in the RTO acts as a grievance committee on an experimental basis. Following this decision there has been an increase in employee grievances. Contrary to the popular belief that human resource interventions should produce positive outcomes, management is of the view that the increase in grievances is a healthy symptom as the dialogue has opened channels to vent employees' pent up feelings.

Creating a pleasant working environment both in the office and in the premises through implementing 5S practices - a Japanese method for enhancing productivity through proper housekeeping, has been yet another achievement of the workplace co-operation programme. The implementation of 5S at Avissawella has been so effective that a separate video documentary has been prepared as

learning material for dissemination to other offices of the SLT. Employees feel that behind the success of 5S was the team spirit built up through the workplace co-operation programme.

These internal improvements have in turn led to positive developments in customer relations. For example, it was noted that customers calling in at the office to make payments are given prompt attention even if the particular employee, who is responsible for accepting payments, is absent from work. In the past such practices were hardly seen. Evidently this was a direct result of improvement in teamwork. As reported by the RTOM, other impressive changes in customer relations are the reduction of fault rate from 16% to 4% and the time taken for re-connections to 30 minutes. The latter improvement in particular has been a result of short circuiting the established procedures through mutual understanding among the employees. To ensure the continuity of the programme, the committee has identified the importance of enhancing the leadership skills of second liners from the different work units in the office who will operate as a back up team. This is one of the main items in the future agenda of the workplace co-operation programme at the Avissawella RTO.

Some Issues and Challenges

As a human resource intervention the SLT has embarked on a long term venture to change a fragmented culture into a cohesive and integrated one with increased concern for customer relations and employee empowerment using social dialogue and workplace co-operation as the main strategy. Needless to say that within a short period the strategy has paid some dividends which wouldn't have been possible through the conventional culture engineering approach. Nevertheless, this should not create an illusion of invulnerability, as any lasting impact of this programme has to be considered against several contextual factors. First, for social dialogue to be an effective instrument of culture change, it must be entrenched in the top management values. In this regard, the signals so far have been salutary, as the company has explicitly

recognised workplace co-operation as a means to foster an organisational climate that can support higher productivity. The CEO's decision to grant official recognition to the workplace co-operation task force has further reinforced the company HR philosophy on this issue. However, there remains a fundamental issue regarding the tempo and the focus of the change strategy relative to the one adopted in the privatisation process. In the latter case change was *transformational* involving a major re-structuring of ownership and management of the entire enterprise. The culture change programme on the other hand, has been more *incremental* than transformational with emphasis being placed on introducing new employee grievance procedures, 5S practices for better housekeeping, social functions to promote team spirit among employees and spreading the message of workplace co-operation among a wider audience through the house journal and training of staff on different themes relevant to workplace co-operation (For details of transformational and incremental change see Harigopal 2001; Mabey & Salaman 1995)².

Where the focus of change is concerned, the strategy used in the management re-structuring process was essentially a *cascading* one starting from the top and thereafter covering the entire organisation. The one that has been used for culture change is a *unit by unit* strategy in which the primary focus has been to develop different organisational units as models of the desired culture (For details of the two strategies see Martin 1993). Despite all the reported achievements, the experience has shown that in a large and complex organisation with different pressure groups such as the SLT, this strategy can be very time consuming. Thus there has to be a continuing dialogue between the top management and the workplace co-operation task force to find out the best options to bridge the gap between the cascading strategy of the re-structuring programme, and the unit by unit strategy of the culture change programme.

² Mabey & Salaman (1995) have distinguished between three types of change: incremental, transitional and transformational. More recently, Harigopal (2001) has classified changes into eleven types: Happened, reactive, anticipatory, planned, incremental, operational, strategic,

Finally, experience in organisational culture change in other parts of the world has amply demonstrated the need to align human resource management practices to support desired changes. This may take several forms including the re-designing of performance appraisal systems and reward systems to reflect the values of the new culture and the re-definition of job roles to induce employees into accept the new behaviour expected from them in the new culture (Thornhill et. al., 2000). The SLT is no exception to this requirement. Indeed it has initiated the process by introducing the new grievance procedure (which, as mentioned earlier, has been implemented on an experimental basis in selected regional offices) and by taking measures to revise the performance evaluation scheme. To promote open communication among the staff a new office layout based on the 'open office concept' is being implemented in the head office. In addition, the business plan for 2002 envisages increased training opportunities to the staff particularly in customer orientation, team building, interpersonal relations and workplace co-operation (Sri Lanka Telecom 2001). A critical assessment of the effectiveness of these supportive mechanisms to promote and stabilise the desired culture should be a central theme in future discussions on human resource strategies at the SLT.

directional, fundamental, total and transformational. However, some of the types identified by him are overlapping.

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