Transforming Organizational Culture—A Case Study on Driving Innovation Through Strategic Culture Change

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Abstract

Change is a necessary process for the growth of modern organizations. However, many change initiatives fail because they neglect to change the organization's culture. Cameron and Quinn (2011) maintained that culture shapes many aspects of an organization, including performance, competitiveness, employee behavior, hiring and retention practices, communication, and decision making. This case study used Cameron and Quinn's Competing Values Framework and the associated Organizational Culture Assessment Instrument to determine the current and desired culture of the Programming Innovation Department (PID) within an international nongovernmental organization (INGO). The paper explores how the PID's current culture, leadership practices, systems, and processes align with the principles and values of God's kingdom. The author discusses possible barriers that may hinder the department from achieving the desired culture and provides recommendations to INGO leaders for driving strategic cultural change within their organizations to improve innovation and sustainability within the competitive INGO funding landscape.

Keywords: organizational culture, culture assessment, adhocratic culture, innovation, change management, international nongovernmental organization

Introduction

International nongovernmental organizations (INGOs) address worldwide social, environmental, and humanitarian challenges, often in challenging operational contexts. Kotter (2012) warned that modern organizations operate in increasingly complex and ambiguous environments due to globalization, technological disruption, and changing social trends. To adapt to these dynamic conditions, organizations must adopt more flexible business models and team-oriented strategies and leverage new technologies for quicker decision making, agile responses, and transformative innovation (Baran &

Woznyj, 2021; Kaivo-oja & Lauraeus, 2018; Kutz, 2011). In short, INGOs must respond to increasing environmental complexity by continuously developing innovative solutions that improve efficiency, reach more people, and maximize programming impact.

However, a significant challenge within INGOs is directing limited resources toward innovative action rather than immediate humanitarian needs. An organization's culture affects its approach to innovation (Azeem et al., 2021; Naranjo-Valencia et al., 2011). Organizational culture influences many elements, can resist change, and may hinder the adoption of new ideas and technologies (Cameron & Quinn, 2011; Schein, 2017). Managing organizational culture is thus a critical driver of innovation and organizational change. To ensure their organizations' continued effectiveness and relevance through innovative action, INGO leaders must create an organizational culture of experimentation and learning.

Organizational Overview

The organization studied is a faith-based, global network of about 6,000 staff in 120 country offices that deliver culturally relevant programs and build local capacity for sustainable change. The organization responds to major emergencies, fights disease and poverty, and promotes justice. Its programming expertise extends across various sectors, including health, nutrition, and food security. On average, the organization implements over 1,000 projects serving over 20 million individuals annually. The organization partners with local communities, churches, organizations, and governments to deliver relief and development assistance worldwide. This partnership approach facilitates a quick response to rapid-onset emergencies, often before other organizations arrive. The organization's programming principles, which guide how programs are designed and delivered, include promoting human dignity, respecting others' rights, carefully stewarding resources, and seeking the common good. As a faith-based entity, the organization's mission, goals, and programming principles align with the values of God's kingdom, such as serving others and taking intentional care of the poor and vulnerable (*New International Version Bible*, 1973/2013, James 1:27; Proverbs 19:17). The organization's work also contributes to the broader mission of answering God's call for the love and compassionate care of the vulnerable (*New International Version Bible*, 1973/2013, 1 John 3:18; Proverbs 31:8–9).

Survey Methodology

After securing permission from the Vice President, this author administered Cameron and Quinn's (2011) Organizational Culture Assessment Instrument (OCAI) to the organization's Programming Innovation Department (PID). The PID comprises 75 staff across five units that design, implement, and monitor global humanitarian assistance

programs. The OCAI is based on the Competing Values Framework and consists of six questions (each with four alternatives) reliably representing an organization's culture (Cameron & Quinn, 2011). Respondents distributed 100 points between these four *competing values*, depending on the degree to which they believed each response reflected the situation within the department. Respondents selected the current and desired cultures they believed would be most appropriate for the department in 5 years by assigning the highest score to the most relevant alternative.

Employees received an orientation to the OCAI exercise at a departmental meeting, which also served as an opportunity to review the instrument and seek clarification. Respondents received a survey link to the OCAI via email with an introduction reiterating the survey's purpose and instructions for completion. Respondents received a reminder 7, 3, and 1 day before the 6-week data collection deadline, resulting in a 24% response rate.

PID Culture Analysis

The current author replicated Cameron and Quinn's (2011) analytic process to score the department's OCAI. Each score is the average across the six questions that measure each type of culture. Table 1 shows that the PID currently has a predominant orientation toward the clan culture with the highest *now* score of 37.3.

Table 1: PID OCAI Scores

Type of organizational culture	*Now* scores	*Preferred* scores
Clan	37.3	36.7
Adhocracy	16.7	25.8
Market	21.6	18.0
Hierarchy	24.4	19.3

Cameron and Quinn (2011) described a clan culture as friendly and transparent, focused on employee engagement, and with highly committed and loyal employees. The PID embodies an informal sense of community and collaboration, and employees have some degree of autonomy and decision-making authority. Teams generally work well together to achieve departmental and organizational outcomes. This dominant clan culture emphasizes community, collaboration, and mutually supportive relationships, which reflect the biblical principles of maintaining unity in Christ's body, loving one

another, and using one's gifts to serve humanity (*New International Version Bible*, 1973/2013, 1 Corinthians 12:12–27; John 13:34–35; 1 Peter 4:10).

Table 1 shows that the PID's second dominant culture is the hierarchy culture, with the second highest *now* score of 24.4. Cameron and Quinn (2011) described the hierarchy (or control) organizational culture as formalized and structured. This characterization holds for the PID: a Vice President heads the department, and there is a defined chain of command and decision-making authority with a downward communication flow through the department's hierarchical structure.

A key strength of formal organizations is their structure and explicit rules, regulations, policies, procedures, and processes that guide employees' productivity and performance (Gulati & Puranam, 2009). Formal mechanisms guide the PID's operations at all levels and ensure the stability and efficiency necessary to successfully implement development and humanitarian programs. For example, annual budgeting, expense reporting, and auditing processes support the department to steward its finances and remain accountable to its donors and communities. This hierarchy culture aligns with the biblical perspectives of order, accountable stewardship, and good governance (*New International Version Bible*, 1973/2013, 1 Corinthians 14:40; Matthew 25:14–30; 1 Timothy 3: 4–5).

Combining Clan and Hierarchy Cultures Drives Continuous Improvement

Thus, the PID has a strong sense of community and collaboration among employees, a well-defined structure, and clear lines of authority within and across each of its five units. This combination of cooperation and hierarchy allows employees to perform systematically and efficiently using clearly defined standards to achieve programmatic and organizational outcomes. Highly committed staff follow these standards to serve the needs of program participants and fulfill donor requirements. However, regular team-building activities drive employee engagement and foster a sense of family and belonging among department members.

Cultural artifacts such as Wednesday Worship allow followers to integrate their faith and align their professional values with godly standards (*New International Version Bible*, 1973/2013, James 1:5; Matthew 6:33). Well-established traditions such as quarterly food distribution or hosting annual Christmas dinners for underprivileged children demonstrate organizational values of compassion and love and bind employees together in faithful service (*New International Version Bible*, 1973/2013, Psalm 82:3). An organization with a clan culture develops a humane working environment with a management emphasis on empowering employees and facilitating their participation, commitment, and loyalty (Cameron & Quinn, 2011).
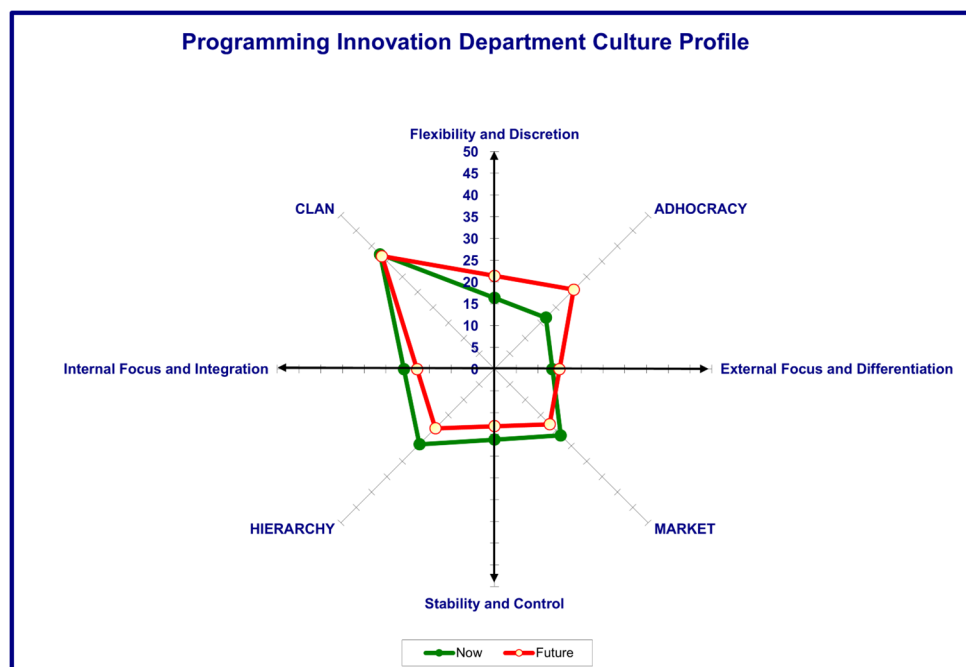
PID Leaders as Servants and Stewards

Senge (2006) emphasized that human development and participation produce effectiveness within a clan culture. Within the PID, leaders emphasize coaching and mentoring as preferred follower development strategies. Departmental leaders build strong teams and relationships by nurturing, coaching, and mentoring their staff. PID leaders prioritize their followers' needs and growth, modeled after Jesus' example of servant leadership and His call to nurture and develop others, emphasizing servant leadership and the pursuit of the common good over personal gain (*New International Version Bible*, 1973/2013, Mark 10:43–45; Philippians 2:3–4). Nevertheless, these leaders also maintain the efficiency of programmatic operations by organizing, coordinating, and monitoring their teams. Espoused departmental values such as open communication, individual development, integrity, and continuous improvement align with those of both a clan and hierarchy culture (Cameron & Quinn, 2011).

These findings align with the PID's operational context—designing and implementing relevant, impactful humanitarian and development programs requires high levels of coordination, cohesion, and partnership across a global network of offices. Cameron and Quinn (2011) emphasized that leaders who demonstrate qualities typical of their organization's dominant culture are more successful. Within the PID, leaders who are collaborative team builders with solid organization and planning skills appear to rise faster through the ranks of the organization's leadership.

Bridging the Culture Gap

The comparative analysis in Figure 1 depicts a gap between the PID's actual and desired cultures. Although PID staff are satisfied with the clan culture, they aspire to have a less hierarchical culture and more adhocracy to provide innovative programming and sustainable growth. Employees' aspirations toward a more creative and flexible culture can reflect the Holy Spirit's prompting for new development and transformation within the department (*New International Version Bible*, 1973/2013, Isaiah 43:19). This finding is unsurprising. While departmental leaders tout innovation as a significant value within the department, bureaucratic concerns usually hamper the required experimentation required for demonstrable results. Challenges can arise when an organization's systems and processes, or the behavior of its employees, do not reflect its espoused values (Schein, 2017). Bridging this cultural gap is thus a pivotal step to achieving the PID's programming outcomes.

Figure 1: PID Culture Profile

Programming Innovation Department Culture Profile

Flexibility and Discretion

CLAN ADHOCRACY

Internal Focus and Integration External Focus and Differentiation

HIERARCHY MARKET

Stability and Control

Now   Future

Note. Average scores are plotted across the internal-external dimension and the stability-flexibility dimension.

The current author believes that the aspiration toward a more adhocratic culture reflects staff concerns about the pressures of an increasingly competitive funding and operational environment. Employees aspire to innovate to meet these pressures while achieving good results for the organization and the communities it serves. Cameron and Quinn (2011) emphasized that an organization must be able to shift cultural emphasis in response to the demands of its competitive environment. However, while it is vital to adapt and innovate, innovation and risk taking must remain grounded in a commitment to God's truth and principles.

Potential Challenges With Moving Toward Adhocracy

The competing values of these dominant cultures could be problematic for culture change within the PID. The PID comprises disparate, specialized functional units with rigid, hierarchical reporting structures and decision-making processes. This hierarchical structure can limit staff relationship building, coordination, and integration between teams, with firmly established rules and regulations making it more difficult for a formal organization to respond to changing operational contexts as efficiently as more informal structures (Blau & Scott, 2015; Gulati & Puranam, 2009). Rigid rules and policies within the PID's hierarchy culture could limit employee willingness and ability

to challenge the established ways of doing things, taking risks, and innovating. Quality strategies in a clan culture, such as empowerment and employee involvement, could directly conflict with those of hierarchy cultures, such as process control, and potentially limit employees' autonomy and decision-making authority.

Another challenge with pivoting to a more adhocratic culture is that departmental staff are from diverse national cultures, potentially leading to different assumptions and subcultures that make agreeing on goals and processes challenging (Schein, 2016). In addition, long-serving employees, particularly those in senior leadership positions, often resist change and adhere firmly to the values and artifacts of the dominant culture (Cameron & Quinn, 2011). Schein (2017) warned that significant culture change only happens when senior management, the culture carriers of an organization's existing culture, are replaced. While dismissing staff arbitrarily is not an acceptable strategy for the PID, a key opportunity is that younger millennial staff are joining the department in increasing numbers. Millennial workers value creativity, inclusivity, and follower development (Anderson et al., 2017). This shift in employee makeup is an advantage for successful culture change within the PID.

From a kingdom perspective, these findings indicate that the current PID culture broadly aligns with biblical principles of community, love for one's neighbor, stewardship, servant leadership, and compassionate care. The aspirational adhocratic culture can potentially enhance the organization's ability to fulfill its mission in ways that honor God and advance His kingdom. However, organizational leaders must ensure that in pursuing innovation and sustainability, the organization remains grounded in kingdom values and continues to prioritize God's purpose over worldly progress.

Building an Adhocratic Culture

While adhocratic cultures drive innovation, hierarchical cultures promote imitation (Büschgens et al., 2013; Naranjo-Valencia et al., 2011). The preceding analysis provided a holistic understanding of how the PID's dominant clan and hierarchical cultures limit innovation. The study also identified aspirational adhocratic attributes that would allow the organization to align its culture with the strategic goal of driving innovation to enhance its competitive advantage. Nevertheless, culture change requires involvement, commitment, and active support throughout an organization, and a compelling vision helps align and inspire actions toward change (Cameron & Quinn, 2011; Kotter, 2012). The next section includes recommendations for PID leaders to drive innovation by transforming organizational culture. With these proposed steps, leaders can move their organization toward a more balanced and influential culture that serves its current needs while preparing it to respond to ever-evolving operational environments.

Leaders Set the Tone for Change

To develop or reinforce an adhocracy culture, an organization must have a designated change agent to facilitate transformational change that renews the organization (Cameron & Quinn, 2011). A crucial first step for these leaders seeking to transform their organization's culture using the OCAI is thus to convene the organization's leadership, employees, and key stakeholders to discuss and validate OCAI results. These stakeholders will then jointly develop a clear vision of an adhocracy culture that promotes experimentation, innovation, and risk taking to drive growth.

Kotter (2012) emphasized the importance of communicating a vision that clearly articulates the benefits of change. Working with an organization's senior leadership and key influencers to communicate this agreed-upon vision and attending strategies to all employees and stakeholders emphasizes the benefits and sets the scene for successful change management. Illustrative stories that convey the desired values and culture are powerful tools for sharing a well-articulated vision (Cameron & Quinn, 2011). Regular communication, encouragement, and support from organizational leaders can ensure that all stakeholders understand and support the vision of an adhocracy culture.

Leaders model desired behaviors and must adapt them to change organizational culture (Cameron & Quinn, 2011; Drucker et al., 2015). Organizational leaders can build relevant change management competencies to support the necessary behavior change, such as leading the future through innovation and change and managing continuous improvement (Cameron & Quinn, 2011). Intentionally strengthening their change competencies demonstrates a firm commitment that will inspire employees across all levels to embrace change.

Engaging Stakeholders Limits Opposition to Change

Reaching stakeholder consensus is necessary to minimize resistance (Cameron & Quinn, 2011). Identifying and gaining consensus around the values, strategies, and activities required to support a planned transition is critical for successful change. Kotter and Schlesinger (2008) suggested helpful strategies for leaders to prepare for and overcome resistance to change, such as diagnosing the type of resistance one will likely encounter and selecting from a mix of education, participation, facilitation, and negotiation strategies to secure employee buy-in for the proposed transition. Anchoring these activities with specific examples and verifiable data helps to ensure that proposed changes are grounded in evidence (Cameron & Quinn, 2011). Prioritizing employee engagement and buy-in to the change process are thus crucial for successful organizational culture change.

Psychological Safety Promotes Experimentation

An adhocracy culture requires creativity, and followers must be comfortable proposing and testing new ideas without fear of failure or negative repercussions. Teams engage in innovative behavior when support for risk taking and tolerance for mistakes is present (Nembhard & Edmondson, 2012). The department's leaders must encourage followers to experiment and take risks while tolerating initial mistakes. Innovation improves effectiveness within an adhocracy; therefore, learning from failure is critical. To sustain a culture of continuous learning, INGO leaders should implement initiatives that allow work teams to discuss and use the learning from unsuccessful initiatives to adapt and improve, as well as prioritize resources for implementing pilot initiatives that will enable employees to learn through experimentation.

Measure Change Progress

Organizational leaders are responsible for determining key performance metrics and ensuring meaningful results (Drucker et al., 2015). Therefore, a key focus for PID leaders during change management efforts is to measure progress regularly to assess the effectiveness of any transition. Leaders can track metrics such as the proportion of newly designed or adapted initiatives to evaluate progress and adjust change management strategies toward an adhocracy culture as required. Change efforts can lose momentum without short-term goals to celebrate (Kotter, 2012). These results help departmental leaders select initial small wins to promote as a motivator for employee engagement and innovation. In addition, Cameron and Quinn (2011) highlighted the importance of cultural congruence within an organization in which organizational elements, such as strategy, leadership style, reward system, and human resources approach, all promote the same cultural values. Leaders can motivate staff toward implementing culture change by ensuring an appropriate rewards system for knowledge sharing, collaboration, learning, and innovative behavior.

Conclusion

The PID currently blends two primary cultures—the clan and the hierarchy cultures. The department's friendly working environment illustrates the clan culture, which promotes collaboration, teamwork, engagement, and consensus. Formal mechanisms that guide the PID's operations at all levels and ensure stability and efficiency depict the department's hierarchy culture. Supportive PID leaders empower and develop their staff while maintaining efficiency through stringent programming and operational standards. Followers are highly committed to working together to meet the needs of global program participants and fulfill donor requirements.

Employees aspire to an adhocracy culture that allows them to innovate and meet the demands of an increasingly constrained funding and operational development environment. The competing values of these dominant cultures and the resistance of long-serving staff present challenges for building an adhocracy culture. Nevertheless, the growing number of millennial employees who value innovation, creativity, and flexibility is an advantage for culture change within the PID.

The PID's current culture aligns with kingdom culture values of loving one another, unity in Christ, servant leadership, compassionate care, and effective stewardship of entrusted resources. The aspirational adhocratic culture can allow the department to honor God while fulfilling its mandate. PID leaders must develop a clear adhocracy vision and relevant strategies and activities in collaboration with all stakeholders to support the change toward an adhocracy culture. Departmental leaders must anticipate and plan for resistance and monitor appropriate metrics to determine progress. To lead culture change, these leaders must strengthen their change management skills, adapt organizational systems for practical experimentation, and reduce barriers to risk taking. Finally, PID leaders must ensure that change management strategies and innovations align with God's purpose for humankind.

About the Author

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