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Awakening a sleeping beauty

Has Fortis found the right magic potion for cultural change?

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Awakening a sleeping beauty

Has Fortis found the right magic potion for cultural change?

Abstract

Organisational culture is one of the most active areas of study in organisational theory today. Business and current affairs magazines regularly publish organisational success stories focussing on the magical alchemy inside a successful company that is “culture”. In addition to attracting the credit for organisational success, an organisation’s culture often attracts the blame when companies fail to compete effectively and under perform against rivals in their sector.

This dissertation is a case study of the cultural change programme at Fortis, a multi-national Financial Services Group, with 58,000 employees working for various business divisions across the globe. With two head offices, one in Brussels and one in Utrecht, Fortis has grown as a Group substantially via acquisitions, mergers and organically since 1990. The transformational programme is currently one of the largest of its kind being implemented in Europe today (Interview: De Boule, 2006). This research highlights initiatives that are having a clear impact on employee’s attitudes and behaviours as well as areas that need more attention moving forward. It considers the impact of national culture, values and leadership in influencing the day to day life inside an organisation and applies various theories to the case of Fortis.

1.0 Background and rationale behind the research and dissertation

The original motivation behind this research and dissertation was the desire to understand how current academic management theory concerning organisational culture and values systems can help analyse and interpret the day to day reality of life inside a large multi national. In particular to explore the concept of shared values within organisations, whether they exist and how they affect employee's attitudes and behaviours. Previous involvement in "cultural transformation" programmes and the communication of corporate values at Egg plc, led me to believe in the positive effects of "cultural change / transformation" orientated programmes. I had previously seen people's attitudes and behaviours positively affected and was keen to establish whether this was a "one off" occurrence, a result of other factors; or whether the effect has been replicated elsewhere and is real and lasting.

In March 2006, whilst studying Consulting and Coaching for Change at Oxford and HEC, Paris, a rare opportunity arose to observe and research an organisation which has recently commenced a huge cultural transformation programme across its global business network. Fortis, is a leading European Financial Services Group, a *bancassurer* (company or Group that offers a range of financial services to its customers, including both banking and insurance). It operates in 26 countries across Europe with niches in Asia (13 countries) and North America, it's network comprises more than 1,600 retail branches; 180 business centres & private banking offices and 10 representative offices (Fortis, Insead Alumni Data Sheet, 14/11/06). Its banking operations include retail, commercial & private and merchant banking.

Following an initial meeting with the Director of Organisational Learning at Fortis, it was agreed that this research towards the MSc. in Consulting and Coaching for Change would be a case study of Fortis' cultural journey, focussing around two key elements: i) *the fortiomas*, the newly introduced set of corporate values¹ or axioms (Oxford English Dictionary definition: accepted general truths or principles) and ii) a leadership development programme designed to inspire managers and communicate Fortis' growth strategy, with the objective of embedding a performance culture to support it.

¹ Values: "a value is an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or state of existence" (Rokeach, 1973) Several similar definitions are available in Section 2.4.1, p 46.

As such, at the heart of this paper are the topics of culture and values, with a lighter focus given to the role of leadership in cultural change. The literature review has focussed on these topics and is written with the intention of providing adequate background and context into the theories, concepts and models used to analyse the case study data.

1.1 Aims, objectives and significance of research

The aim of this research is to investigate and report via a descriptive case study whether or not the introduction of a set of axioms, coupled with a leadership development programme, has had an effect on employees' attitudes and behaviour at Fortis. Along with submission to HEC / Oxford Universities towards the MSc. Consulting and Coaching for Change, this research will be submitted to Fortis for consideration by the Human Resources senior management team as measurement analysis. Effort has been made to ensure the findings and conclusions are reliable and valid through regular communication with Director of Organisational Learning, M. Joris De Boule and the submission of a draft report for his review. It is hoped that the findings and conclusions outlined herein will be useful in corroborating the results of internal measurement efforts to date and considered useful in guiding future phases of the cultural change effort at Fortis.

In order to maintain the validity of this research and to ensure it is considered representative, it has been important to obtain and analyse multiple sources of evidence. Being able to call upon a wide range of data and resources has allowed for the triangulation of responses across multiple qualitative and quantitative sources. According to Robert Yin, the renowned academic author on case study design and methodologies, the case study enquiry:

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- Relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result
- Benefits from the prior development of theoretical propositions to guide data collection and analysis

(Robert K Yin, 2003, p.13)

1.2 Proposition to be tested:

*“The introduction of the *fortiomas*² and their socialization through the leadership for growth programme³ has had a positive effect on employee attitudes and behaviours at Fortis between September 2005 and October 2006”*

1.3 Research questions:

- 1) Has the introduction of *the fortiomas* had a positive effect on employee attitudes and behaviour?
- 2) Is the Leadership for Growth (L4G) programme an enabler for the adoption of *the fortiomas*?

In order answer these research questions it was necessary to talk to Fortis employees across the Group to hear their views on people’s prevailing attitudes and behaviours at Fortis and obtain a before and after perspective. A set of questions for use in interviews was developed and various other sources of data, both qualitative and quantitative were collected to help triangulate evidence and form conclusions. See section 3, “Research design” for further details.

1.4 Fortis, the *fortiomas* and Leadership for Growth (L4G)

1.4.1 Fortis background

Fortis, derives from the Latin forte, meaning strong, the name symbolically represents a pooling of competencies that can be tailored to meet the requirements of any client, locally and across the world (Fortis Banking & Insurance brochure, Fortis Communications, June 2004). Fortis is a multi-national Financial Services Group, with 58,000 employees working for various business divisions across the globe. There are two company head quarters one based in Brussels, Belgium and the other in Utrecht, The Netherlands. The Group occupies a leading position in banking and insurance in the Benelux countries with 68% of its employees working in the Benelux region and 32% outside (Fortis, Insead Alumni Data Sheet, 14/11/06). Historically,

² *The fortiomas*: Fortis’ set of corporate axioms (accepted general truths or principles)

³ Leadership for Growth (L4G): A leadership development programme being rolled out to 3500 of Fortis top management across the globe

Fortis has grown as a Group substantially via acquisitions and mergers and organic growth since 1990. It began with the merger of two Dutch operations N.V. AMEV, a large Dutch insurer and VSB, a Dutch bank in 1990. They were joined later that same year by AG 1824, a large Belgian insurer who boasted a strong position in the Belgian insurance market at the time. Throughout the 1990's and early 2000's, Fortis business was strengthened by a series of takeovers and joint ventures (see section 2.2.4 for further details).

Since it was formed in 1990 in one of Europe's first cross-border mergers, Fortis has become the dominant bank and insurer in Belgium and has grown sizably in the Netherlands. It has a strong position as No. 18 in Fortune Global 500, based on revenues (Fortis, Insead Alumni Data Sheet, 14/11/06). The arrival of M. Jean Paul Votron as CEO in October 2004 heralded a new international focus and a long term growth strategy, designed to see Fortis take its place amongst the top 5 Financial Institutions in Europe. Before his arrival Fortis had been the subject of take-over and merger speculation *"With a market capitalisation of Euros 37.2bn, Fortis is a classic example of a European financial services group that, while strong in its domestic markets, is dwarfed by rivals in Europe and the US"*. (Minder, Financial Times, Sep 22, 2004, p.28) and repeatedly linked to banks like BNP Paribas of France and BBVA of Spain. It was a conglomerate of separate banking and insurance businesses that operated in a predominantly silo fashion, focussing on cost cutting and generating synergies from acquisitions and mergers rather than growth⁴, *"When he took the helm in October 2004, the energetic Mr Votron discovered a bank racked by divisions. The insurance and banking operations viewed each other with suspicion and there were tensions between the Dutch and Belgian sides of the business."* (Laitner, S., Thal Larsen, P., Business Life, *Financial Times*, Feb 1, 2006, p 13). As such, the growth focus has been a 180° turnaround for Fortis and one of M. Votron's biggest challenges is how quickly the organisation can change its "silo business", cost cutting mentality to one of growth and collaboration. This is particularly more challenging given that currently the 2 of the 3 main businesses, Insurance and Retail Banking are structured and report at a "silo" country level. Insurance is organised at a country level (a requirement of Dutch law) and Retail Banking is more "multi-local than multinational" (Interview: De Boule, 2006). In Belgium Fortis is now the leading Retail Bank, in

⁴ See section 2..3 for a history of the mergers, acquisitions and joint ventures that comprise the Fortis Group

The Netherlands, it is a smaller player (approximately the 4th largest Retail Bank) due to the prominence of ING, ABN AMRO and Rabobank in this market; Fortis also has strong retail banking presence in Turkey and a small presence in France and Poland. Conversations with M. De Boule reveal that up until recently, there were few transversal processes between the different Retail Banks. This has changed with a recent reorganisation which now structures the Retail Banking business into three customer segments, i) small & professional businesses ii) mass retail and iii) affluent. Whilst the banks will maintain their local country reporting lines in some areas, the new customer segment structure creates a matrix reporting structure and is designed to enhance cross country collaboration and coordinate strategy across countries moving forward. The Wholesale Banking arm has a much stronger International structure and has been operating across borders for much longer, in particular in the Commodities, Shipping, Energy and Project Finances businesses.

Encouragingly, the growth message has it seems, been embraced by Fortis employees over the last two years. Back in 2004, Mr Votron and the Executive Committee set ambitious growth targets that would see a compound annual growth rate of net profit per share of at least 10% across the Group and profits from outside the Benelux countries rise from 14 to 30 per cent a year by 2009 (Leadership for Growth press presentation, 14/02/06). As of February 2006, performance was being praised in the financial & business press “*The Group share price has risen by almost 50 per cent since Mr Votron took over, comfortably outperforming the European banking sector*” (Laitner, S., Thal Larsen, P., Business Life, *Financial Times*, Feb 1, 2006, p 13). News came in August that business plans and long term financial targets are to be updated (within the current growth strategy) by March 2007, clearly performance and results are on track. In November of this year, the Q3 results declared a very healthy 19% growth in net profit over the first nine months of 2006 to EUR 3.6 billion (Fortis press release, 9 November 2006). A few weeks before, M. Votron announced a consolidation of the previous six major business units: Retail Banking, Merchant Banking, Commercial & Private Banking, Insurance Belgium, Insurance Netherlands and Insurance International into three: i) Retail Banking, Merchant, ii) Corporate & Private Banking (previously referred to as Wholesale Banking) and iii) Insurance in a further attempt to integrate the business silos.

The affect of M. Votron's drive for growth, performance and results has been huge *"for the first time as Fortis we said ok we want to grow and we are very ambitious about it, we believe in our future, which was not the case before, everyone was waiting for ABN AMRO or BNP Paribas to take us over and putting everything on hold"* (Interview: M. Deboeck, Chief HR Officer, Sept 2006), but the challenge still remains to break the "silo business mentality" and create a more gelled Group culture at Fortis. Culture is not new on the agenda at Fortis, silo mentalities have always been an issue, due in part to the constant ebb and flow of acquisitions, mergers and divestitures and the strong cultures and traditions present as a result of the long tenures of each business acquired or merged into the Group. For example, AG 1824, the insurance company was created in 1824 and celebrated its 175th anniversary the year before it changed its name to Fortis AG (see www.fortis.com/General/precursors.asp) for more details. The undertone of politics between the Dutch and Belgian sides of the business has also been on the formal HR agenda, although initiatives to help resolve the Belgian / Dutch tension were not particularly effective and the issue was taken off the formal agenda in 2000. According to M. De Boulle, Director of Organisational Learning *"Huge attention was paid to the Belgian / Dutch issue between the years of 1990 -1998. Efforts were made to ensure equality between the two different nationalities in senior executive positions, at one stage Fortis had two CEOs, a Belgian CEO and a Dutch CEO, but that changed when our previous CEO, M. Von Rossum arrived, he took the issue off the political agenda and believed that people should focus on the challenge of the task and not the politics, it's a person's competence that should determine who sits in which chair and not nationality"*. (Interview: De Boulle, 2006). In 2003 M. Von Rossum invited the consulting academic Fons Trompenaars to work with Fortis and involve 150 of the top management in an analysis of the four company values. The outcome of this programme of work was that the original four company values: **Stable**, **Innovative**, **Caring** and **Straightforward** remained as the Fortis values and an initiative was launched to embed these in each business unit under the title *"What does it mean for my business?"* The business initiative did not take off and focus shifted away from culture for a year or so, but in fact it was these early initiatives and discussions between M. Von Rossum and the Chief HR Officer, M. Deboeck, which sparked the idea for *the fortio*mas. The two issues most concerning for both Executives at the time were lack of company pride and the tendency for the different businesses not to accept Group decisions and to slow progress by putting the same topics on the strategic agenda again and again, *"as businesses were acquired and integrated we were losing*

excellent cultures from the past and we were not capable of putting something else in its place, we were in limbo, sort of the cultural doldrums” (Interview: Deboeck, Sept 2006).

M. Deboeck and his team began looking at other examples of strong performance cultures and organisations where shared values had played a role in motivating staff to higher achievement. In particular they were invited to Axa, where they were inspired by the Axagrams⁵ to begin the process of creating a set of maxims to inspire and motivate staff at Fortis to start to work together. The HR Management team began a process of talking to over 180 executives across the Group in “HR Vision Workshops” to establish what managers needed from HR and where barriers existed. Leadership development was high on the agenda and work soon started on finding a suitable partner with whom to develop a programme to communicate what Fortis expected of its leaders and to equip them with tools to help them drive the new Group culture forward. Feedback from managers was combined with previous work to develop leadership competences and feedback from the first Fortis-wide Employee Motivation Survey (EMS) and the process began to distil out what was to become *the fortiomas*, a set of desired behaviours and attitudes consistent with high performing organisational cultures. The introduction of the new growth strategy became just the vehicle around which to launch the leadership development programme and anchor *the fortiomas*. According to M. Deboeck they were fortunate that M. Votron was willing to be involved in the delivery of the programme and give an introduction for each session, *“He could see the benefits and the opportunity to explain his message to renew ambition in the growth strategy and because M. Votron became enthusiastic so did other members of the Exec Committee. I believe that is one of the reasons it was successful because Jean Paul is making this effort and so are the other members”* (Interview: Deboeck, Sept, 2006).

⁵ Axagrams are a visual alphabet designed to familiarize everyone in the Group with the AXA management style. AXAGRAMS are pictograms. Like road signs, they express ideas graphically. Through repetition, they rapidly become familiar and meaningful. They also allow us to get around linguistic barriers, becoming a universal language specific to AXA. This is a major advantage for an International Group. (Source: AXA Activity Report - 1998, www.axa.com, Nov 2006)

1.4.2 Leadership for Growth (L4G)

In November 2005, Fortis announced its intention to focus on its people and improve the capacity of its senior managers to take on the challenges associated with the ambitious growth strategy. After a period of internal shake-ups (the bank made a substantial number of senior managers redundant under the banner of “*upgrading the quality of management*” (Laitner, S., Thal Larsen, P., “Business Life”, *Financial Times*, Feb 1, 2006, p 13) Fortis launched a major leadership development programme for its top 3500 managers. The programme “Leadership for Growth” has been designed “*to engage Fortis top 3500 managers in a journey of intensive dialogue and reflection on how we as leaders, work together with each other and how we lead our people in light of our strategic objectives*” (Leadership for Growth Introductory Material, Fortis, June 2006). It is currently one of the largest transformational programmes for managers in Europe. The programme does not focus primarily on leadership skills nor is it an assessment centre. It is designed to act as a lever, to reinforce the message around Fortis’ strategy and to boost the organisation’s performance by developing a collective style of leadership behaviour and a shared culture amongst its disparate business units through a common language and approach. Fortis worked with *Executive Learning Partnership* (ELP) to design Leadership for Growth, the 3 ½ day off-site programme, hosted at a Chateau in Mello, north of Paris. *Executive Learning Partnership* (ELP) is an international network of experienced executive development consultants who design, organise and deliver customised ‘action learning’ programmes around strategy and leadership, designed to leverage an organisation’s top management thinking. They call upon a strong network of business school professors and other world class experts including performing arts consultants and business executives⁶ to help them deliver. ELP and their associates make up the majority of faculty for the 3 ½ day programme, supported by a representative from Group HR and an intern from the Fortis graduate programme. In addition there is strong involvement from the Executive Committee and an Executive Committee member attends for a morning at each L4G session, to discuss the growth strategy and field questions from participants.

⁶ See www.elpnetwork.com for further details of ELP’s network

The L4G programme itself is built around three building blocks:

1. Understanding the landscape of the future for Fortis
 - ***Future facts module:*** Participants consider the macro-environment by providing a view of possible futures through scenario planning exercises
 - ***Fortis DNA module:*** Introduces *the fortiomas* as the desired axioms (accepted truths or principles) for Fortis

2. Knowing yourself better
 - ***Leadership 360° Feedback module:*** Each participant reviews direct feedback on their behaviour and leadership style from their peers, subordinates and bosses in a 360° review
 - ***Motivational states module:*** Training is given around “motivational states of mind”, defence mechanisms and tips and techniques for avoiding negative behavioural states such as aggression, resentment, stress and anxiety

3. The development of a personal business journey for the future
 - ***Hero’s Journey module:*** Participants spend time thinking about personal and business objectives and what they need to do to enhance their own personal journey in life and at work. It is based on the metaphor of the hero’s journey - the cyclical journey undertaken by the standard mythological hero (Source: definition, Wikipedia, Nov 2006), otherwise referred to as the concept of mythodrama.

The concept of the hero’s journey or mythodrama has been increasingly used by performing arts professionals over the last ten years as material to anchor & deliver leadership development programmes.

“Far from being a fad, creative leadership training has been going from strength to strength. This year, the best-known proponent of the genre, Richard Olivier, launched a new consultancy, Olivier Mythodrama Associates, complete with a website, a staff of experienced facilitators and a packed schedule of training” (Hoare, Stephen, The Independent, 2001)

Overall, the L4G programme weaves connections between the Fortis strategy, current business trends and the participants themselves (Interview: De Boulle, 2006). It offers participants a great networking experience and helps them get clear on specific business priorities and their own personal leadership skills and qualities. Participants are provided with a take away “leadership” pack full examples of how and when to use *the fortiomas*. The pack also includes templates for personal reflection and a comprehensive reading list on the topics of leadership, strategy and emotional intelligence, including references such as Jim Collins (2001) *“Good to Great: Why*

some companies make the leap...and others don't", Arie de Geus and Peter Senge "The living company" and Viktor E. Frankl "Man's search for meaning". There is no doubt that participants leave Mello with a wealth of material to continue their own personal development programme, should they wish.

1.4.3 The Fortiomas

The fortiomas have been designed to help create one common culture at Fortis, they have three main tenets:

- i. **A contraction of the words Fortis and axioma (Latin word for axiom) they are axioms (general truths and accepted principles) of how all Fortis employees should work together**
- ii. **they are desired behavioural characteristics**
- iii. **they are symbols and visual guidelines** (Source: Interview: Deboeck, 2006)

According to M. Bert Van Rompaey, *Director of HR Finance & Planning* (Interview: Van Rompaey, 2006) who worked closely on the culture project, *the fortiomas* were distilled from an original 29 down to 14, as a result of analysis of feedback from the "HR Vision Workshops", feedback from the Employee Motivation Survey, previously developed leadership competences, advice from Axa on the development of the *Axagrams* and the brand essence. The Fortis brand was re-launched in 2006 in a six month pan-European above-the-line advertising campaign. The four original values have not been replaced by *the fortiomas*, they were also part of the inspiration and have been integrated into some of *the fortiomas* e.g. **caring:** focus on the client, **stable:** deliver results & act as one, **innovative:** entrepreneurship, **straightforward:** be courageous, communicate the story (Fortis, Annex presentation material sent to participants a few weeks after L4G by Group HR, Sept 2006). However Fortis HR Management openly acknowledges that the original values have not really "lived" in Fortis, employees rarely refer to them and they have not been translated into specific behaviour.

The challenge for HR Management is to provide the catalyst to nurture new ways of thinking, communicating and behaving that will prompt, guide and help Fortis employees engage more readily with each other in support of the growth strategy. Rather than recreate a set of "catch-all" values that do not directly relate to specific

ways of thinking or behaving, *the fortiomas* combine verbs and nouns to provide clearer guidance. The HR Management team purposely did not want to use a specific “management model” or “leadership model” to anchor the cultural programme. This was mainly to avoid large debate over which model is the most appropriate, so instead they opted to develop *the fortiomas* from “home grown” knowledge, opinions and the clear gaps in behaviour made apparent from talking to employees.

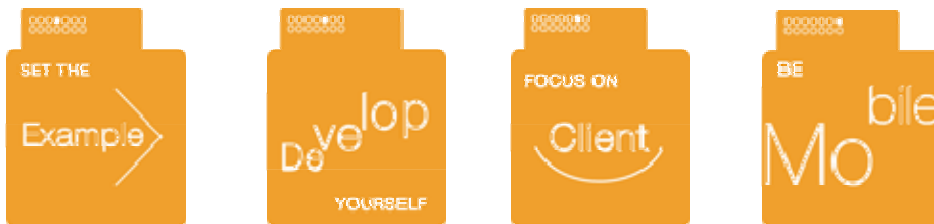
There are four main categories and fourteen *fortiomas* in total:

Figure 1: The Fortiomas:

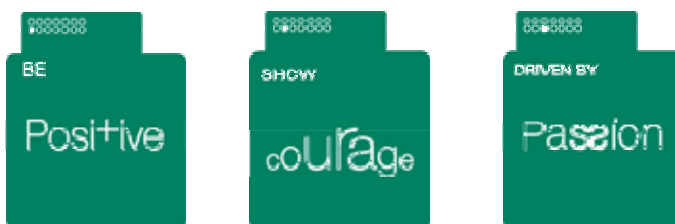
Keen to perform:



Always go the extra mile:



Optimists by nature:



Act as One



At this point it seems prudent to mention that sometimes the meanings behind the terms “values”, “beliefs”, “assumptions” and “behaviours” can become confused when referring to them in an organisational context. The issue of distinguishing between them is dealt with in more detail in section 2.4 “the role of values in cultural change”, but in general, when the word “values” is used we tend to think of the mental moral codes we hold as human being that influence our behaviour, attitudes and the decisions we make. For Fortis, *the fortiomas* represent desired behaviours which the Fortis Executive Committee and HR Management team would like to see become basic assumptions of “what is valued around here”.

Initially, *the fortiomas* were introduced to employees in an understated manner, via posters, the intranet, screensavers, the internal newsletter, *The Fortis Tribune* and desk objects such as rubix cube-type calendar blocks. *The fortiomas* were first presented to senior managers at a presentation to the top 250 managers, given by Jean Paul Votron in November last year, they were introduced in support of the new growth strategy, as was the L4G programme. The L4G programme is the primary vehicle for introducing *the fortiomas* to managers as the desired set of leadership behaviours that will help Fortis achieve its strategic ambitions. Fortis plans to send 3500 managers on the L4G programme over a three year time frame, to date over 1000 have attended the course. In the take away “Travel Pack” material from the L4G programme, of particular use for managers is the section explaining how to link Fortis competences⁷ to *the fortiomas*. It offers clear examples of behaviours. What is interesting about this material is that it clearly positions *the fortiomas* as “the way Fortis is”. This statement sends a clear message to employees of what is expected of them, “*the fortiomas describe people at Fortis, it is therefore important to find out whether you act in accordance with the fortiomas*” (Fortis, L4G Travel Pack June, 2006).

⁷ There are 29 competences used by HR and line managers to assess an employees performance at the annual performance appraisal

2.0 Introduction & purpose of literature review

The intention of this literature review is to examine some of the intellectual origins of the culture concept, the role of values in organisations and methods of analysing values in organisations. It attempts to shed light on the issues Fortis is grappling with, outlined in chapter 1 such as:

- i) What are the attributes of a shared culture?
- ii) What are the similarities and differences between the different national cultures that make up the Fortis Group and how do they influence behaviours at work?
- iii) Do shared values exist?
- iv) Can they / do they affect employees attitudes and behaviours?
- v) What role does leadership play in creating a shared culture?

The literature review serves as a guideline in analysing and reporting on the cultural clues present in Fortis employee's behaviour, values, beliefs and attitudes, as well as the visible artefacts present at each separate Fortis location visited.

Whilst a wide range of leading academic publications from the field of culture and organisational theory have been reviewed, perspectives are predominantly from European, British and American authors. Academic and management journals and both commercial management and academic case studies have also been consulted. In order to provide adequate context before presenting the primary research findings in a case study of Fortis, the literature review has been necessarily wide in its scope, covering culture, values and some leadership material. Most of the well known authors on culture have been covered, if not directly then indirectly through reading other authors perspectives on their work. Influential research and concepts such as Hofstede's 1978 national culture study and Argyris' "*espoused theories*" and "*theories in use*" are uncovered and their implications considered for Fortis to provide further context before presenting the primary research findings in Chapter 4.

2.1 Why is culture a hot topic today?

Organisational culture⁸ is one of the most active areas of study in organisational theory today. This is in part due to the many accounts written over the last decade, from business leaders claiming to have improved company performance through mastering their organisation's culture. It is also the result of the natural evolution of organisational theories from the fields of Management & Business, Anthropology, Organisational Sociology and Human Resource Management which have developed since the 1950's and 1960's. These days many a tale of organisational success references the organisation's cultural advantages. Business and current affairs magazines regularly publish success stories focussing on the magical alchemy inside a successful company that is "culture". The February edition of TIME Magazine this year devoted no less than 10 pages to an in depth study of the culture and success of Google (*In search of the real Google, Adi Ignatius, TIME, Feb 2006*). The *Harvard Business Review* paperback series published a collection of case studies and articles on Culture and Change in 2002 with titles such as "*When your culture needs a makeover*", "*Changing a culture of face time*", "*Conquering a culture of indecision*". Furthermore, a recent search of the European Case Clearing House (ecch) database revealed research and case studies into culture strategies, cultural programmes and culture journeys across a range of industries from manufacturing companies (Hilti AG of Liechtenstein – power tools, fastening, drilling), consumer products companies (Alberto-Culver hair products), management consultancies (McKinsey & Company & Goldman Sachs), technology companies (Motorola), retail (ASDA) and pharmaceuticals (Smithkline Beecham) to name a few. Culture is clearly on the management agenda!

In *Organisational Culture*, an overview of the principle ideas and frameworks for understanding culture, Andrew Brown suggests that the "culture concept" is upon us as a result of excitement that a more interesting method of analysing "what's really going on inside organisations" has come of age; "*the growing body of scholarly work conducted under the banner of culture research is testament both to disillusionment with "standard" approaches and excitement that a new and more fruitful means of*

⁸ Culture: "*when we talk about culture we are usually referring to the pattern of development reflected in a society's system of knowledge, ideology, values, laws and day to day ritual*" (Morgan, 1998, p112). Several similar definitions are available in section 2.2.1

understanding organisations has evolved” Brown (1998, p.5). This is most likely true, it is also my belief that the impetus behind the rise in interest in diagnosing and creating strong organisational cultures comes from the acceleration of the rate of change over the last 15 years and the need to re-configure the human factors/behaviours/*modus operandi* within organisations in order to adapt and work differently with this speed of discontinuous change. Such discontinuous change has been driven primarily by information and telecommunications technological enhancements, deregulation and increased competition. Internet & digital technology have changed “the rules”, “the playing field”, or one could say “the culture and operating context” of entire industries and our entire lives. Organisations selling products and services which were once highly valued have seen value eroded and products and services become commoditised as technology has enabled superior products and customer propositions to enter the market and influence consumer needs. Executives are scrambling to understand how their organisations need to change to keep up. Pascale, Millemann & Gioja refer to this phenomenon as “*a scientific renaissance in the making*” which “*will usher in new industries, alter how businesses compete and change how companies are managed*” (Pascale, Millemann, Gioja, 2000, p.1). Their publication “*Surfing the Edge of Chaos*” identifies “complexity science” also known as *complex adaptive systems* as the magnet for this scientific renaissance and discusses how breakthroughs in their study are occurring in the life sciences (biology, medicine and ecology), the social sciences (sociology, psychology and economics) and the hard sciences (physics, mathematics and information technology) “*businesses, it turns out, can learn a great deal from nature*” (Pascale, Millemann & Gioja 2000, p.3). They describe a new management model based on the nature of living systems, occurring naturally and by disturbance within successful organisations such as British Petroleum, Hewlett Packard & Royal Dutch Shell, designed to unleash the potential of people in organisations. In effect, it is a description of “a way of behaving and organising” that is necessary for organisations wishing to adapt to an ever changing environment. The accounts of how business leaders have embraced the behavioural and structural principles of living systems are in effect descriptions of new types of “culture”.

Technological advancements are not the only factors influencing the environment, social changes over the last 50 years have added to the complexity of the world we live in and organisations operate in. The values, beliefs and attitudes we hold as

individuals, what we want from our lives and our work, what we value as consumers and what we expect from the products and services that organisations provide has changed dramatically. The adult generation has become defined not by age, social status or income, but by new values and needs which have arisen as a result of the decline of the traditional family unit and the growing importance of psychological needs such as *self development* or *self actualisation* (Maslow, cited in Morgan, 1998). Organisations must adapt to avoid operating far below potential and being at the mercy of competitors. For consumers with much more choice and change to keep track of, more and more value is being placed on “added extras” such as quality, service, creative thinking and brand values, which help them make decisions in a world overloaded with choice. According to Edward de Bono (2005) three things are becoming commodities in business: i) competence, ii) information, and iii) state of the art technology; he points out “*that if these things are becoming a commodity then what is going to matter is the ability to design and deliver value. That needs creative and design thinking*” (De Bono, 2005, p.4). This is indeed a further driving force behind my own personal investigation into the field of culture and change. Having spent over 10 years in the field of new product development, I possess a strong curiosity into which factors actually combine to drive innovative thinking and transformational behaviour within organisations today.

The ability to design and deliver value is something that different organisations perform with varying levels of ease and comfort, some organisations manage to organise their resources to best advantage, others never quite get there. It is an accepted principle amongst organisational theorists today that the ability to design and deliver value is dependent upon “the way things work inside an organisation” or the chemistry that is the “culture” operating within.

2.2 The culture concept – origins & implications

The culture concept has been the subject of considerable academic debate in the last twenty five years and there are many different approaches to defining and studying culture. The majority of academics see organisational culture as an objective entity, either that the organisation as a whole is a culture which can be studied (Pacanowsky and O'Donnell-Trujillo, 1982) or as a set of behavioural and or cognitive characteristics (e.g. Schein, 2004). Morgan (1998) sees culture as a metaphor which can help us describe and think about organisations. To Morgan, day to day life inside an organisation is life in a society with its own beliefs, routines and rituals that identify it as a culture; trying to change how life occurs in that organisation is akin to trying to change a culture *“once we understand culture’s influence on work place behaviours, we realise organisational change is cultural change and that all aspects of corporate transformation can be approached with this perspective in mind”* (Morgan, 1998, p.111). The inclination of this researcher is to describe organisational culture as “the spirit of a place” or “the emotions of a place” (Oxford English Dictionary definition of emotion: “an intense mental feeling”) that is driven by what is valued most highly amongst employees. I believe culture is on display in many ways, but in particular in the expressions on people’s faces (are they happy or miserable or serious or enthusiastic?), the sound of the place (is it loud or quiet, what is the buzz of a place? is there a buzz about the place?), in the way that people treat each other, third party stakeholders and their customers (are they friendly and helpful or unhelpful and non-communicative?) and in levels of productivity (is it clear that people are working hard or are they pushing paper?).

Groups form cultures through a process of learning that certain beliefs, values and ways of behaviour result in success. Schein asserts that *“only if through group compliance the resulting behaviours lead to group success (the successful completion of tasks) and group members feel good about each other, will the beliefs and values come to be recognised as shared”* (Schein 2004, p. 16); he goes on to state that only if it continues to achieve success based on the beliefs and values does the group conclude that it now has the correct way to think, feel and act. With continued reinforcement, the group becomes less and less conscious of the beliefs and values and begins to treat them more and more as non-negotiable assumptions (Schein 2004). To sum up, Schein

states that a group culture forms when beliefs and values become non-negotiable assumptions, having been experienced as successful on numerous occasions.

It goes without saying that we all hold multiple “cultural influences” having been party to many different groups through our lifetimes (e.g. the family, the neighbourhood, the school, the church potentially, the work place, the community and the nation state). Every person carries within him or herself a set of basic assumptions, arising from patterns of thinking, feeling and acting which have been learned throughout their lifetime as “*successful responses to certain situations in different groups*” (Hofstede, 2003, p.4). Hofstede refers to this as “*mental programming*” or “*the software of the mind*” and states that “*as soon as certain patterns of thinking, feeling and acting have established themselves within a person’s mind (s)he must unlearn these before being able to learn something different, and unlearning is more difficult than learning for the first time*” (Hofstede, 2003, p.4). It is the non-negotiability aspect which is crucial to Schein’s view of basic assumptions, if the group is willing to argue about something, then it has not become taken for granted, something that has become taken for granted is described as a basic assumption.

2.2.1 Alternative perspectives on culture

“the culture of a group can now be defined as a pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct as to perceive, think, and feel in relation to those problems.” (Schein, 2004, p. 17)

“culture... is a pattern of beliefs and expectations shared by the organisation’s members. These beliefs and expectations produce norms that powerfully shape the behaviour of individuals and groups in the organisation” (Schwartz and Davis, 1981. p33)

“culture represents an interdependent set of values and ways of behaving that are common in a community and that tend to perpetuate themselves, sometimes over long periods of time” (Kotter & Heskett, 1992. p141)

“a quality of perceived organisational specialness – that it possesses some unusual quality that distinguishes it from others in the field” (Gold, 1982, p. 571-2, cited in Brown 1995)

“organisational culture is not just another piece of the puzzle, it is the puzzle. From our point of view, a culture is not something an organisation has; a culture is something an organisation is” (Pacanowsky and O’Donnel-Trujillo, 1982, p.126, cited in Brown 1995)

“the word derives metaphorically from the idea of cultivation: the process of tilling and developing land. When we talk about culture we are usually referring to the pattern of development reflected in a society’s system of knowledge, ideology, values, laws and day to day ritual” (Morgan, 1998, p. 112)

“I treat culture as the collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001, p.9)

“culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values” (Kluckhohn, 1951, cited in Hofstede, 2001, p.9)

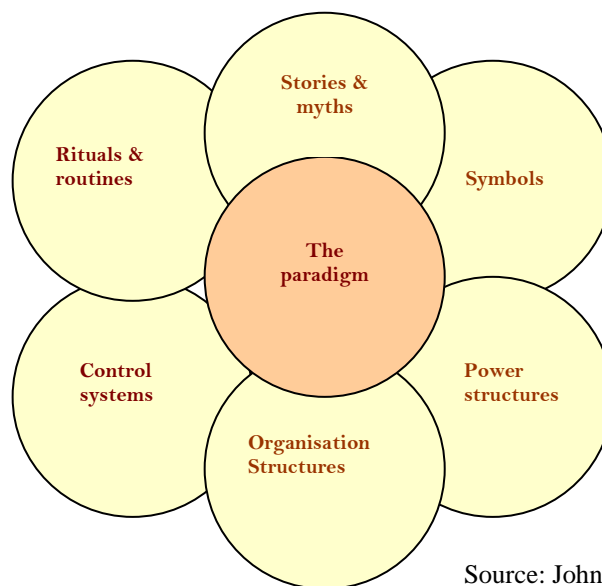
From involvement in cultural development programmes in the past at Egg plc and more recently as a consultant working in many different organisational cultures, I have first hand experience that culture is created and reinforced through people’s attitudes and their actual behaviour. Schein’s definitions and models were used as a general guide for the analysis of the organisational culture at Fortis. Compared to other definitions, I feel most comfortable that his definition of organisational culture conveys my own experiences of how and where culture manifests within an organisation. His theories and definitions of how culture manifests not only cover all major aspects of the living organisation, they also consider the deep rooted emotions and cognitive assumptions that drive employees to think and behave in certain ways.

2.2.2 Methods of analysing culture

As previously stated, Schein's model is far reaching, but complex. I had intended to adapt Schein's levels or dimensions of culture into a visual metaphor and use it as the basis for analysis into Fortis' culture, however with 3 main categories and 17 sub categories of culture to consider, in reality the list was too lengthy to use as a working model in the time available. It is estimated that qualitative interviews lasting a minimum of two – three hours would be required to uncover data on all of these levels. Instead Schein's "dimensions of culture" were used to influence the range of the question set posed to Fortis employees. It would however be a comprehensive guide for a deeper analysis into an organisation's culture, over a longer duration.

Gerry Johnson's cultural web is included here as a visual depiction of organisational culture. Johnson places the paradigm at the centre of the web which is the set of core beliefs resulting from the multiplicity of conversations occurring day to day inside an organisation and which maintain the unity of its culture. In the outer circles are the manifestations of culture which result from the influence of the particular paradigm. According to Johnson, unless the paradigm at the heart of the culture is changed there will be no lasting change (Johnson, 1992)

Figure 2: The Cultural Web



Source: Johnson, Gerry (1992), pp28-36

Key: See Overleaf

Key to Johnson's Cultural Web:

Paradigm – the core purpose, distinctiveness in market, the reason we are here? uniting beliefs, what really matters!

Power Structures – key power holders, distribution of power, informal vs. formal. Core beliefs of leadership

Organisational Structures – mechanistic vs. organic, flat vs. hierarchical, structure as a lever? Collaboration or competition?

Control Systems – what is monitored closely, rewards, punishment, and recognition, tight or loose?

Rituals & Routines – key rituals? common procedures? training routines? what behaviours do routines encourage?

Stories & Myths – many or few? heroes or villains? deviation of mavericks? successes or failures, strengths or weaknesses

Symbols – language and jargon, public and visible signs, status symbols, organisation image

In many ways Johnson's cultural web is as in-depth as Schein's model for analyzing an organisation's culture, the key difference is that Johnson's model focuses more on the organisation's systems and structure and less on the more complex emotional areas such as levels of intimacy, explaining the unexplainable, ideology and religion and the correct nature of human activity, which are quite in-depth subjects for interviews lasting 45 minutes – 1 hour. Another, more simplistic, useful feature of Johnson's cultural web is that it very easily conveys an image of an organisation's culture, it is easy to read.

2.2.3 The effect of national culture on organisational culture

Between 1968 and 1972 Geert Hofstede undertook a large research study across 72 countries, the purpose of his work was to explore the differences in thinking and social action among members of more than 50 modern nations. The results argue that people carry "mental programs" that are developed in the family in early childhoods and reinforced in schools and organisations, and that these mental programs contain a component of national culture. Hofstede's work was based on the answers to a questionnaire twice presented to over 116,000 IBM staff and managers between 1968 and 1972. It concludes that people from different national cultures operate under different assumptions about what is appropriate behaviour. In organisational settings, these cultural differences in underlying assumptions can significantly affect interactions when individuals from various nationalities meet.

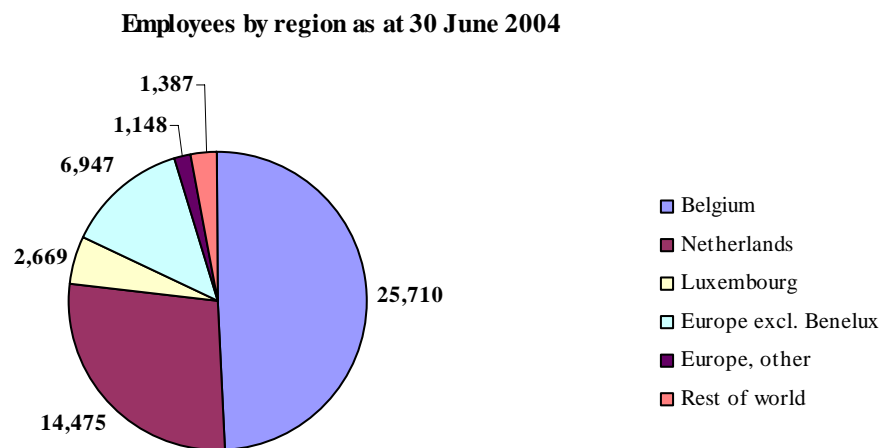
2.2.4 How Hofstede can help understand cultural differences within Fortis

Historically, Fortis has grown as a Group substantially via acquisitions, mergers and organic growth since 1990. It began with the merger of two Dutch operations N.V. AMEV, a large Dutch insurer and VSB, a Dutch bank in 1990. They were joined later that same year by AG 1824, a large Belgian insurer who boasted a strong position in the Belgian insurance market at the time. Throughout the 1990's and early 2000's, Fortis business was strengthened by a series of takeovers and joint ventures. The list is long and includes a joint venture in non-life insurance and life insurance with "la Caixa", the leading Spanish bank, a majority interest in ASLK-CGER, a Belgian bank and insurer (a former government owned organisation), the Dutch Merchant Bank MeesPierson and several insurance companies in the US and the UK. A merger and then takeover of Generale Bank (a leading Belgian bank), a takeover of Banque Générale du Luxembourg, more insurance acquisitions in the US and the Netherlands, the takeover of KBC Retail banking and Corporate banking operations in the Netherlands. In Asia, Fortis ventured into a joint venture in Malaysia, insurance partnerships in China and a partnership with Muang Thai in Thailand. The European portfolio of businesses was further strengthened by the acquisition of Deutsche Immobilien Leasing France, interests in Italy and a joint venture with Banco Comercial Português (Portugal's biggest private bank). More recently Fortis has been looking to the old Eastern Bloc, acquiring and rebranding a leading Turkish Retail bank, Disbank and increasing activity in Poland. Fortis is a multi national organisation, with a Benelux core, which has a direct influence on the company structure and values. National cultural differences do affect interactions between individuals from various nationalities. As such, it is necessary to consider the influence of national culture on the leaders and employees within the organisation in order to begin to understand Fortis culture and values.

Despite the fact that at Fortis, the previous tensions between the Dutch and Belgians have politically been "put on ice", the Hofstede study is still useful in providing fascinating insight into understanding both the role of a person's nationality and cultural "socialisation" in shaping their beliefs, attitudes and behaviours at work. It has been a help in deciphering some of the deep, national assumptions held by individuals working at Fortis and is therefore helpful in understanding the context and personal

frames⁹ of the employees interviewed in beginning to analyse the answers (views / attitudes and behaviours) of the respondent interviews. Just under half of Fortis employees are of Belgian nationality and over the years since Von Rossum's change in policy over equality between Dutch and Belgian nationalities in senior management, the majority (7 out of 9) of Executive Committee members are also of Belgian nationality. This compares to 27.7% of employees of Dutch origin (see figure below)

Figure 3: Fortis employees by region as at 30 June 2004



Source: www.fortis.com 18/09/06

⁹ Argyris and Schön's (1974) argument that people have mental maps or personal frames with regard to how to act in situations. This involves the way they plan, implement and review their actions. Furthermore, they assert that it is these maps that guide people's actions rather than the theories they explicitly espouse.

2.2.4.1 Hofstede's findings:

Hofstede defines culture as *“the collective programming of the mind that distinguishes the members of one group or category of people from another”* (Hofstede, 2001, p.9).

As a result of the original IBM study, he found that culture could be broken down into four dimensions that explained many observed differences in organisation systems and managerial behaviour. A fifth dimension was later identified as independent from the four, following a later study by Michael Harris Bond of the Chinese University of Hong Kong which took into account a more Eastern bias and was based on ideas and values of Confucius. The five dimensions are:

1. Power Distance

Power distance reflects the extent to which a national culture accepts and reinforces the fact that power in institutions is distributed unequally. In cultures with high power distance, status differences are viewed as legitimate and intrinsic. Status differences can be based on age, social class, organisational rank or family role for example. In low power distance cultures, a hierarchical relationship is seen as an inequality of roles that is established for convenience in a particular context. In high power distance cultures, bosses are generally seen as authoritarian and /or legitimately paternalistic.

Countries identified with high power distance (in the Fortis Group): France, Belgium, Italy, Spain, Portugal, and Hong Kong

Countries identified with low power distance (in the Fortis Group): US, Australia, Great Britain, Netherlands, Germany, Ireland, and Austria

2. Uncertainty Avoidance

“Uncertainty avoidance indicates the degree to which a national culture values the reduction of uncertainty and ambiguity” (Hofstede, 2001, p.2). In high uncertainty avoidance cultures people try to reduce uncertainty by providing greater career stability, establishing more formal rules, demonstrating low tolerance for deviant ideas and behaviour and believing in absolute truths.

Countries identified with high uncertainty avoidance (in the Fortis Group): France, Italy, Turkey, Belgium, Portugal, Spain, Germany, and Austria

Countries identified with low uncertainty avoidance (in the Fortis Group): Netherlands, Australia, US, Ireland, Great Britain, Hong Kong

3. Individualism – Collectivism

“Cultures that score high on individualism value a loosely knit social framework in which people are expected to take care of themselves and their immediate families. In contrast, cultures high in collectivism are characterised by a tight social framework in which people distinguish between in-groups and out-groups, expecting their in-group (e.g. family, company) to look after them in exchange for loyalty” (Hofstede, 2001, p.2). The use of teams is more positively received in high collectivism cultures. In individualist countries the employer-employee relationship is based on a contract based on mutual advantage, incentive systems focus on individual performance, in cultures high on collectivism the employer-employee relationship is more like a family link and people are expected to act in the interests of the group.

Countries identified with high individualism (in the Fortis Group): Australia, US, Great Britain, Netherlands, Italy, Belgium, France, Ireland, Germany, Austria, Spain

Countries identified with low individualism (in the Fortis Group): Turkey, Portugal, Hong Kong,

4. Masculinity – Femininity

Masculinity reflects the extent to which a culture’s dominant values conform to a traditional view of male sex-role characteristics such as assertiveness and the acquisition of material goods. The femininity pole reflects values that confirm to a traditional view of female sex-role characteristics, an emphasis on caring for others and quality of life (Hofstede, 2001, p.3). According to Hofstede, the role pattern demonstrated by the father and mother (or possibly other family members) has a profound impact on the mental software of the small child who is programmed with it for life. National cultures that score high on the femininity scale, like the Netherlands and Sweden, prefer to resolve conflicts by compromise and negotiation, as opposed to more masculine based cultures such as the UK and the US where the feeling is that conflicts should be resolved by a “good fight”.

Countries identified with high masculinity (in the Fortis Group): Austria, Germany, Italy, Ireland, Great Britain, Australia, US, Hong Kong, Belgium

Countries identified with low(er) masculinity (in the Fortis Group): Turkey, France, Spain, Portugal, The Netherlands is low, much lower than the other countries identified here as lower

5. Long Term Orientation

“Long term orientation stands for the fostering of virtues oriented towards future rewards, in particular, perseverance and thrift. Its opposite pole, Short term orientation, stands for the fostering of virtues related to the past and present, in particular, respect for tradition, preservation of “face” and fulfilling of social obligations” (Hofstede, 2001, p.359). Tolerance and respect for other people have lower priority in long-term orientation cultures, but hard work, learning and accountability have high priority.

Countries identified with high long term orientation (in the Fortis Group): China, Hong Kong, Thailand

Countries identified with low long term orientation or short term orientation (In the Fortis Group): The Netherlands, Belgium, France, Germany, Great Britain, Ireland, Italy, Portugal, Spain

In looking at multi-lingual countries, Hofstede identified that the main language areas of Belgium, Dutch speaking and French speaking (Dutch 54%, French 45%, German 1%) share basically the same culture, which closely resembles the French culture. The culture gap between The Netherlands and Belgium showed they were far apart *“no two countries in the IBM data with a common border and a common language were so far apart culturally”* (Hofstede, 2001, p.63). The common French culture of the two language areas of Belgium can be explained by their common history, after independence in 1831, French was the language of government, the upper classes and secondary and higher education for more than 100 years. The Flemish emancipation movement in Belgium only gained momentum in the 1950s and language is still a sensitive political issue today.

Hofstede goes on to show that the high power distance scores of France and Belgium are a result of their Latin roots, heavily influenced by the Roman Empire and Colonialism. According to Hofstede the early societal experiences must have had lasting impacts on polity, affecting all institutions that followed *“by an implied contract the people confer upon the Emperor all power and authority over them so that his will has the force of the law”* (F.S.C. Northrop & H.H. Livingstone (Eds), 1964, pp.254-294) hence the high power-distance and the acceptance of status as legitimate authority in Latin countries. Whereas in Britain, the Germanic Anglo-Saxon invaders chased the Romanized Celts without mixing with them and when Norman Kings attempted to establish rule, they were forced to recognise the rights of the people in the

Magna Carta of 1215. Hofstede recalls that in 1974 he actually saw the then Dutch Prime Minister, Joop Den Uyl on vacation with his motor home at a camp site in Portugal (in low power-distance countries leaders often try to underplay their power) and that such behaviour would be very unlikely in high power-distance Belgium or France. In early days of cross-cultural management studies, Harbison and Burgess (1954) compared the U.S. with European Industrial management “*Workers in European plants seldom talk back to their bosses. Upward communication is neither expected nor encouraged. In these countries the paternalistic employer appears to develop in the working forces a feeling of gratitude and dependence mingled with resentment*” (Harbison & Burgess, 1954, p. 15)

Whilst they made their observations half a century ago, in my personal experience working in France and The Netherlands and observing and talking to employees in Belgium, some of what they found still rings true today depending on the level employees hold within the organisation, with the exception of not expecting or encouraging upward communication, my experience has shown that upward communication is encouraged, at least it is formally.

Hofstede extended his research into cultures in 1985-1986 when he co-ordinated research into organisational culture covering 20 organisational units in Denmark and The Netherlands, he concluded that organisations are bound by national cultures which influence the national management theories that have been developed to direct organisational functioning.

A comparison of Hofstede’s IBM survey results with the 1961 work of Harvard University psychologist David McClelland “*The Achieving Society*” revealed that the “need for achievement” as measured from traditional 1925 children’s books from a large number of countries, is strongly correlated with weak uncertainty avoidance and even more strongly with the combination of weak uncertainty avoidance and strong masculinity (Hofstede, 2003, p.124). Low uncertainty avoidance means willingness to run unfamiliar risks and high masculinity means the importance of visible results. Both are components of entrepreneurial activity in the American tradition, “*In choosing the achievement motive, the American McClelland has promoted a typical Anglo value complex to a universal recipe for success*” (Hofstede, 2003, p. 124). Hofstede uses Abraham Maslow’s “hierarchy of human needs” and adapts it based on his findings, pointing out that the ordering of needs from lower to higher and putting

the value of self-actualisation at the top, is an “individualistic” assumption. And that in view of the cultural variety in the world with regard to uncertainty avoidance and masculinity, some other provisions should also be made. He suggests that Maslow’s “hierarchy of human needs” should be shuffled according to the culture: Safety or security is likely to prevail over other needs where uncertainty avoidance is strong (Belgium, Japan, Italy, and Germany). Belongingness (human relationships) will prevail over esteem in a feminine culture (The Netherlands, Norway, Sweden, Denmark, France, Turkey, and Spain). Esteem is more likely to prevail over belongingness in a more masculine culture (Great Britain, Belgium, Japan, US, Hong Kong, Italy, Germany). Thus the supreme motivators (other things like type of work being equal) will be:

- **achievement (of self or group) and esteem** (US, Great Britain, Hong Kong, Australia, Canada)
- **achievement and belongingness** (Sweden, Denmark, Norway, The Netherlands)
- **security and esteem** (Japan, Germany, Belgium)
- **security and belongingness** (France, Spain, Turkey, Portugal)

Hofstede concludes his cross reference against Maslow by pointing out that perhaps there are some needs which are missing because they were not recognised in Maslow’s mid-twentieth century US middle class cultural environment. Other needs identified are: respect, harmony, face and duty.

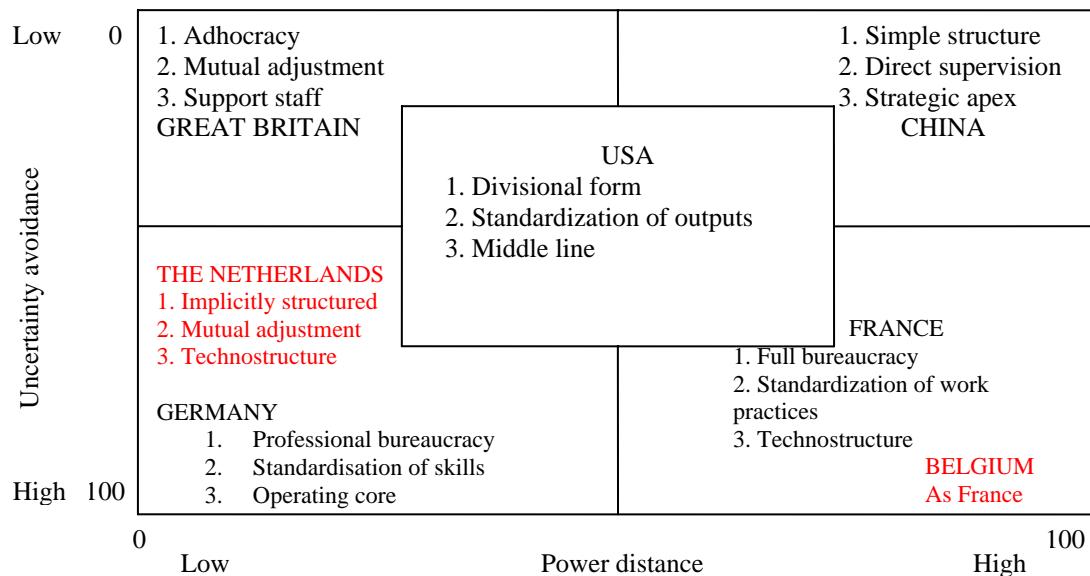
For the purpose of demonstrating how Hofstede’s national cultural characteristics apply in the organisation, his Uncertainty-Avoidance x Power-Distance Matrix can be over-laid onto Henry Mintzberg’s 1983 fivefold classification of organisational structures and used to plot the preferred management styles of typical countries. I have adapted the model to include the two countries comprising Fortis management team, Belgium and The Netherlands.

Mintzberg saw organisations in general as containing up to five distinct parts:

1. The operating core (the people who do the work)
2. The strategic apex (the top management)
3. The middle line (the hierarchy in between)
4. The technostructure (people in staff roles supplying ideas)
5. The support staff (people in staff roles supplying services)

Figure 4: Mintzberg's Preferred Configurations of Organisations projected on to Hofstede's Uncertainty-Avoidance x Power-Distance matrix, with a typical country for each configuration

Adapted to include The Netherlands and Belgium



NOTE: 1= preferred configuration 2= preferred coordination mechanism 3= key part of organisation

Source: Adapted from Hofstede 2001, p 377

Table 1:

Differences in work-related values, excerpted from Hofstede's cultural criteria

Country	Individualism Index	Rank	Power distance Index	Rank	Uncertainty avoidance Index	Rank	Masculinity Index	Rank
France	71	40-41	68	37-38	86	36-41	43	17-18
Belgium	75	43	65	33	94	45-46	54	29
Netherlands	80	46-47	38	14	53	18	14	3
Germany	67	36	35	10-12	65	23	66	41-42
Great Britain	89	48	35	10-12	35	6-7	66	41-42
USA	91	50	40	16	46	11	62	36
Hong Kong	25	16	68	37-38	29	4-5	57	32-33

Source: G. Hofstede (1984) cited in Brooks (Brooks, 2003, p.272)

The differences between the national cultures of The Netherlands and Belgium are clear from *table 1*, as are the similarities between the Belgian and French national cultures. The few scores highlighted in the table support the descriptors of cultural typologies previously stated¹⁰ applicable to the countries in which Fortis operates across the globe.

The Hofstede study provides useful context for this research into cultural change across the Fortis Group in that it provides clues and potential explanations for the existence of patterns of personal and managerial behaviour amongst the different nationality groups by painting a picture of the similarities and differences across 116 national groups, due to their individual shared history and experiences. However it should be noted that Hofstede's work was not the only lens used to analyse the culture at Fortis, the pervasiveness of *the fortiomas* and the effectiveness of the Leadership for Growth programme at socialising *the fortiomas*. As human beings we form part of many different social groupings, or sub-cultures; national, professional, familial, religious, etc. and as such are subject to multiple influences on attitudes and behaviour, depending upon the circumstances. It would therefore be false to assume that national characteristics are always the key driver behind an employee's behaviour and attitude towards work. For details of the specific models and theories which were used to undertake this case study analysis of Fortis see section 2.5.1.

2.3 The role of leadership in cultural change

In addition to performing interviews with Fortis employees, as part of this research into the cultural journey at Fortis, I had the opportunity to observe and participate in the 3 ½ day tailored leadership development programme, "Leadership for Growth" (L4G). Discussions with M. Joris De Boule widened the original scope of this research to include an illumination of the L4G programme and its role in socialising *the fortiomas*, M. De Boule is keen to understand whether or not the "Leadership for Growth" (L4G) programme is indeed an effective means to an end in developing the attitudes and behaviours of the leaders and managers who attend the 3 ½ day programme. This research considers whether or not the L4G programme is being successful in its objectives to nurture new ways of thinking and behaving within Fortis leaders and managers and whether or not the programme positively or negatively impacts on

¹⁰ P.30 Descriptions of the cultural traits applicable to the countries in which Fortis operates across the globe

managers' attitudes and beliefs (in other words, whether or not the programme is having any effect on the basic assumptions, or values-in-use at Fortis). Observations and conclusions have been drawn from attending and participating in an L4G programme and qualitative interviews with attendees and their subordinates at different points in time following the programme.

It is not the purpose of this dissertation to review "leadership" per se as a subject area in any detail, the progress of individual leaders within Fortis and whether or not their leadership skills have quantifiably improved following the L4G programme have not been reviewed and assessed. However, one cannot study organisational culture and values without looking at leadership and the attitudes and behaviours of leaders in an organisation. No matter what the definition of leadership, experts on culture agree that it plays an integral role in shaping the culture of an organisation. In their review of corporate culture and performance, Kotter and Heskett state that "*the single most visible factor that distinguishes major cultural changes that succeed from those that fail is competent leadership at the top*", (Kotter & Heskett, 1992, p. 84), they point out that others such as Schein have similar conclusions "*culture is created by shared experience, but it is the leaders who initiate this process by imposing his or her beliefs, values and assumptions at the outset*" (Schein, 2004, p.225). Schein asserts that one of the most powerful mechanisms founders, leaders and managers have available for communicating what they believe in or care about, is what they systematically pay attention to in the discharge of their day to day duties, as this has a huge influence on what subordinates perceive the leader really values.

The term leadership can be confusing, it is often used in organisations as a "catch all" term to denote a wide range of abilities and it often involves different metaphors and moral codes. In his 2005 publication entitled "*Leadership, limits and possibilities*" Keith Grint discusses and makes cases for defining leadership as a person, a result, a position or a process, there seems to be little consensus on its exact meaning. Grint suggests that the search for the answer to the question "what is leadership" is untenable because it implies an essential element, an "essence" that simply does not exist in such a form, "*at its most basic the "essence" of leadership qua an individual leader, leaves out the followers and without followers you cannot be a leader. Indeed, this might be the simplest definition of leadership: "having followers"* (Grint, 2005, p 19). Perhaps the most traditional way of defining and configuring leadership in Western

organisations is “position based”, defined as “*the activity undertaken by someone whose position on a vertical hierarchy provides them with the resources to lead*” (Grint, 2005, p.28). Grint suggests that these people lead from their positional control over large networks of subordinates and tend to drive change from the top. Along with positional based leadership comes a parallel structuring of power and responsibility. Whilst a formal leader may demand obedience from his or her subordinates, this suggests that power is not just a case of subordinate action but also a consequence of it. If subordinates do as leaders demand, then and only then, are leaders powerful. Position based leaders may pretend to be omnipotent, but this can only be symbolic, as leaders only ever get things done through others and if one agrees with Grint, leadership is a result of the followers relationship to and with the leader, “*the kind of leadership is a consequence of the kind of followership, rather than a cause of it*” (Grint, 2005, p.38)

As previously stated, the HR Management team at Fortis declined to use a “published” leadership model to design the cultural programme, opting instead to build *the fortiomas* and the L4G programme around a combination of feedback from employees, previous work developed on competences and a review of other successful programmes. However, M. De Boule has cited the work of Jim Collins, author of “*Built to Last*” and “*Good to Great*” in discussing the rationale for Fortis’ initial focus on people and as a model for leadership that he admires. The adapted model overleaf was used by Fortis in a presentation to press in February of this year.

Figure 5: The Good-to Great Study



Build up ...

Adapted from Collins, 2001, p.2 & p.13

Source: Fortis, L4G Press presentation, February 14 2006

Jim Collins argues that the key ingredient that allows a company to become great is having a Level 5 leader. Figure 5 shows the factors that the Collins research team identified as being the 6 key factors which help turn a good company into a great company.

Level 5 leadership – the type of leadership required for turning a good company into a great one is a more self effacing, quiet individual with a blend of personal humility and professional will, not a high profile leader with a big personality and ego to match. It’s not that Level 5 leaders have no ego or self interest. Indeed, they are incredibly ambitious – but their ambition is first and foremost for the institution, not themselves.

First who then what – Good to great leaders begin by getting the right people on the bus and in the right seats and the wrong people off the bus, before they set the new vision and strategy.

Confront the brutal facts (yet never lose faith) – Sometimes called the Stockdale paradox, this involves having the discipline to confront the reality of the current situation AND at the same time maintain the discipline to maintain unwavering faith that all will prevail in the end.

Hedgehog concept - a simple understanding of three intersecting circles i) what the company can be the best in the world at, ii) how its economics work best, and iii) what best ignites the passions of its people. Breakthroughs come when you become systematic and consistent with it, eliminating virtually anything that does not fit in the three circles

Culture of discipline – when you have disciplined people, you don't need hierarchy, when you have disciplined thought, you don't need bureaucracy, when you have disciplined action, you don't need excessive controls. When you combine a culture of discipline with an ethic of entrepreneurship, you get the magical alchemy of great performance

Technology accelerators – good to great companies have a paradoxical relationship with technology. On the one hand they avoided jumping on new bandwagons. On the other, they were pioneers in the application of carefully selected technologies, making bold far sighted investments in those that directly linked to their hedgehog concept (Collins, 2001, pp.141)

One thing that is clear about leadership is that it is not value free, leaders have a cause, a vision and they do have to show awareness of the values of the organisation and interpret them for people both inside the group and outside it *“the best leaders have something of the philosopher in them...the task, the group and the individual all have to be related in values as well as in needs. That is why true leadership has an inescapable moral, or even spiritual dimension”* (Adair, 1983, p. 60). Many definitions of leadership hold the perspective that leadership means influencing a community of people to follow the leader's vision and as such, leaders are those who gain prominent positions in society. In recent years however, academics and business people have begun to draw a distinction between leadership and management. Exercising leadership has also come to mean providing a vision and influencing others to realise it through non coercive means through more of a social construct. An alternative view of leadership, less concerned with “position” and more aligned to the social construct school, is put forward by Heifetz (1996) and is at the heart of his work *“Leadership without easy answers”*. Heifetz puts forward the concept that leadership is primarily concerned with mobilizing people to tackle tough problems, mobilizing connotes motivating, organising, orientating and focussing attention. Heifetz defines leadership as *“an activity to mobilize adaptation”* (Heifetz, 1996, p. 27) whereby adaptive work is made up of *“the learning to address conflicts in the*

values people hold or to diminish the gap between the values people stand for and the reality they face. Adaptive work requires a change in values, beliefs or behaviour" (Heifetz, 1996, p.22). Just as clarifying a vision requires testing amongst peers, so values are shaped and refined by rubbing against real day to day issues, Heifetz sees this being at the heart of the adaptive work undertaken by leaders to create successful change and believes that those who lead have to learn from events and take advantage of the unplanned opportunities that events uncover, *"the inclusion of competing value perspectives may be essential to adaptive success"* (Heifetz, 1996, p.23). In a much referred to Harvard Business Review article *"The work of leadership"*, Heifetz & Laurie offer six principles for leading adaptive work: **1) "getting on the balcony", 2) identifying the adaptive challenge, 3) regulating distress, 4) maintaining disciplined attention, 5) giving the work back to the people, 6) protecting voices of leadership from below**. It seems clear from the definitions of adaptive work that the cultural work being undertaken at Fortis is adaptive in nature and therefore Heifetz's perspective on leadership is useful when considering the "role" expected of Fortis leaders to successfully promote and engender cultural change. In Section 5.2.1 "Conclusions", Heifetz's six principles for leading adaptive work are applied to Fortis.

Attitudes towards leadership and subordinateship are influenced by national culture and central to Hofstede's Power-distance cultural dimension, in this context views on leadership and subordinateship are inseparable. Ideas about leadership reflect the dominant culture of a country, asking people to describe the qualities of a good leader is in fact another way of asking them to describe their culture according to Hofstede. In masculine cultures the leader is a masculine hero, management literature in masculine cultures such as the U.S., Great Britain and Australia are full of studies that describe desirable characteristics of leaders as the beholders would like to be and to believe in. Feminine cultures, such as The Netherlands believe in more modest leaders and more consensus driven decision making styles. In the first edition of "Culture's Consequences" Hofstede revealed that a comparison among IBM technicians in France, Germany and Great Britain on their appreciation of leadership styles showed that *"the French were most satisfied when they saw their boss as persuasive or paternalistic, the Germans when they perceived him / her as participative or democratic and the British were divided between the two, being the only country of the three to appreciate a more "give and take" consultative style which demands a greater tolerance for uncertainty"* (Hofstede, 2001, p.379)

The national cultural influences on leadership outlined by Hofstede provide context and clues as to why certain groups of Fortis managers may behave in a certain way or face specific issues in their adaptive work with teams moving forward. These factors are taken into consideration later in this paper when the issue of whether or not the L4G programme is an effective means to an end in developing the attitudes and behaviours of the leaders and managers is analysed in detail and presented as findings and conclusions.

2.4 The role of values in cultural change

Various authors on culture, change and leadership have commented on and pronounced different values typologies present within groups and cultures. Some highlight particular values that are desirable for enhanced performance and growth, for example in *In Search of Excellence*, Tom Peters and Robert Waterman emphasize that successful organisations build cohesive cultures around common sets of norms, values and ideas that create an appropriate focus for doing business. Others have focussed their research around multi-national cultures and what it takes to build a cohesive organisational culture across countries, e.g. Fons Trompenaars and Charles Hampden-Turner. Values are important because they are the basis on which we make decisions as individuals and make choices in life and business about the best and most appropriate actions to take. At home or at work values influence our behaviour. Values are deeper than attitudes and more embedded in our character, they are developed over time and may be strongly linked to societal factors such as family or peer group. As discussed in section 2.1 “why is culture a hot topic today?” over the past fifteen years, organisations have become more interested in both the individual and collective values held by employees and how they influence decision making. Organisations are keen to encourage productive behaviour and commonly held or “shared” values among the employees, with the aim of creating a specific corporate culture which might allow them to design and deliver enhanced value for customers. Thus differentiating them from competitors and delivering enhanced value to shareholders. Shared values and behaviours provide the additional benefit of acting like a kind of glue to align employees with the organisational goals in times of discontinuous change, when command and control hierarchies work less effectively.

As previously stated, when the word “values” is used, we tend to think of the mental moral codes we hold as human beings that influence our behaviour, attitudes and the

decisions we make. In organisational theory, values are often distinguished from beliefs and are clearly associated with moral and ethical codes. Many organisations develop clear “values codes” or “sets of values”, but often it is unclear whether or not these values are brand values, corporate values that are stated but not really lived by, or corporate values that are stated and permeate the whole organisation. Sometimes the values are visible and on display within the organisation, sometimes they are not. Brand values are values used for marketing communication purposes to help get across key values to consumers in advertising material and not often extrapolated into “behavioural values” by employees (other than the marketing department) in their day to day work. To be clear, the values this research is concerned with and the values discussed by organisational theorists are corporate values. Corporate values apply to the entire organisation, how it relates to its external environment through its brand, its products and relationships with suppliers etc. and how it relates to its internal environment, how employees relate to their jobs and each other. They often aspire to reflect “the way things work around here”, although are in danger of reflecting “the way senior management would like things to work around here”.

Designed to reflect the desired organisational culture, corporate values are first and foremost “espoused” values rather than actual “values-in-use”. Argyris and Schön (1974) identified that people have called “*espoused theories*”, which describe what people say they will do in a particular situation, but not necessarily what they will actually do. In contrast, the implicit assumptions that actually guide behaviour and tell people how to perceive, think and feel about things are what Argyris has identified as “*theories in use*” (Argyris 1974, p.30).

Often beliefs and values are hard to distinguish between as beliefs about how something works often hold implicit values within them (views about what should or ought to be) and as human beings we rarely take the time to decipher the two, sometimes because we are not even consciously aware of our own values. In an article for Harvard Business Review entitled “*The real reason people won’t change*”, organisational psychologists, Robert Kegan and Lisa Laskow Lahey (Kegan & Lahey, 2001, p. 37) refer to this phenomenon as “*hidden competing commitments*”, they discuss the instances when an employee has shown commitment to the company, genuinely supports the change, clearly has the skills and knowledge to make a change with ease, but inexplicably does nothing. According to Kegan and Lahey, these

instances occur when an employee is “*unwittingly applying productive energy toward a hidden competing commitment, the resulting dynamic stalls the effort in what looks like resistance but is in fact a kind of personal immunity to change*” (Kegan & Lahey, 2001, p.38). They go on to describe how a process of uncovering employee’s hidden competing commitments can help move change forward. Uncovering people’s hidden commitments may be the closest one can get to understanding their values, especially in artificial settings such as on company premises in company hours.

Paul Griseri (Griseri, 1998) holds a largely sceptical view that values can be even identified, let alone managed or shared amongst employees. Griseri points out that values are based on different motivating factors, are made up of both deep cognitive and emotive factors and are rarely displayed fully through people’s behaviour, making it extremely difficult to establish the content of an individual’s values . In addition to that they are two dimensional. Depending upon the circumstances involved, values can be held from

i) a deontological perspective, and ii) a consequentialist perspective.

Deontology – the idea that an action is good or bad in itself, irrespective of what the consequences of it may be, So someone might say “Lying is wrong always.”

Consequentialism – the idea that an action has to be judged in terms of what its effects are. Someone with this view might say “it’s OK to lie if it prevents some harm befalling someone. (Griseri, 1998, p.11).

Griseri is also dubious about the promotion of shared values within an organisation, stating that “whilst this can assist in creating an openness that contributes to corporate success, it can all too easily degenerate into mechanisms for creating totalitarian cultures in organisations” (op.cit, p.66). He also states that it is impossible to prove that employees really can or really do share values and delves into the ethics of whether or not an individual’s values should be identical to the organisation’s values. Firstly, employees, specifically those with different cultural backgrounds, are likely to have different cultural values of which there may be an incompatibility with an organisation’s corporate values. This doesn’t mean that the individual does not agree with the corporate values, just that at times an individual’s values may be incompatible and in these instances be a source of conflict for the individual. Secondly, it takes more than trying to make people understand a set of values to actually expect they will accept those values. Third, Griseri points out that many multi-cultured employees are successful in their roles precisely because they are multi-cultured and able to straddle

multiple worlds, “a highly conformant monoculture is not a recipe for success in today’s world, diversity is celebrated as a key driving force in organisational regeneration” (op. cit, p.82). This perspective is supported by Pascale, Millemann & Gioja “*complex adaptive systems become more vulnerable as they become more homogenous. To thwart homogeneity, nature relies on the rich structural recombination triggered by sexual reproduction*” (Pascale, Millemann, Gioja 2000, p.28).

At this point it is useful to remind ourselves that *the fortiomias* have been defined by Fortis as “*desired behavioural characteristics*” (Fortis, Annex presentation material, 2006) and by this researcher as desired behaviours that Fortis would like to become basic assumptions and values-in-use. The Fortis HR Management team do not expect that *the fortiomias* will change employees’ values at work in the short term. Step one of the challenge is to create a common language and step two to influence behaviours, there is no “illusion” that the implementation of *the fortiomias* will change employees’ personal values. Therefore the ethical issues raised by Griseri, whilst important to be aware of and keep in mind, do not specifically call into question the implementation of *the fortiomias*.

Edgar Schein divides values into two types, *espoused beliefs and values* and *basic assumptions*. Espoused beliefs and values are referring to what Argyris and Schön (1974) have called “*espoused theories*”. Basic assumptions describe things that have become so taken for granted that there is little variation on the views of a group of individuals. They are similar to what Argyris has identified as “theories in use”, “*the implicit assumptions that actually guide behaviour, that tell group members how to perceive, think about and feel about things*” (Argyris 1974, p.30). Basic assumptions, like values, are deep rooted and are extremely difficult to change, Schein suggests that doing so would release large quantities of basic anxiety and rather than tolerating such anxiety levels, as human beings we tend to want to perceive events around us as congruent with our basic assumptions, even if that means falsifying and distorting to ourselves what is really going on. Basic assumptions are the bedrock of an organisation’s culture, they define for us what to pay attention to, what is actually valued within an organisation.

2.4.1 Alternative perspectives on values

“Values are intimately connected with moral and ethical codes and determine what people think ought to be done, beliefs on the other hand, concern what people think is and is not true, e.g. the belief that increasing expenditure on advertising will lead to increased sales is an example”, (Brown, 1998, p.26)

“If you’re going to have integrity – or integratedness – you have to have a core, something to which you must be true. You can’t work from the inside out if you don’t even know what’s inside. So you need to have a centre. You need to have identified values. You need to know what you stand for and you need to stand for it, so that others know, too.” (Covey, 2006)

“Shared Values: Important concerns and goals that are shared by most of the people in the group, that tend to shape group behaviour, and that often persist over time even with changes in group memberships. Examples: The managers care about customers; executives like long term debt.” (Kotter & Heskett, 1992, p.5)

“a value is an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or state of existence” (Rokeach, 1973, cited in Brown 1998, p.26)

“Values are both emotive and intellectual and arise out of the process of finding a solution to the problem of satisfying diverse motives” (Griseri, 1998, p.10)

“many other culture researchers prefer the term basic values to describe the concept of the deepest levels of culture. I prefer basic assumptions because these tend to be taken for granted by group members and are treated as non-negotiable. Values are open to discussion and people can agree to disagree about them. Basic assumptions are so taken for granted that someone who does not hold them is viewed as a “foreigner” or as “crazy” and is automatically dismissed” (Schein, 2004, p. 25)

2.4.2 Methods of analysing values

As we have seen by definition, a person's values serve as a guide to their intentions and behaviour. Similarly an organisation's value system provides a guide for organisational goals, policies and strategies. Therefore the nature of the values is a crucial factor in the impact that culture will have on an organisation's effectiveness. According to Yoash Wiener, *"if the prevailing organisational values support appropriate goals and strategies the culture is an important asset to the organisation"* (Wiener, 1988, pp.536). Some authors, academics and consultants state that it is possible to measure the values of an organisation and propose diagnostic tools and measurement systems usually dependent upon the analysis of large quantitative questionnaires and surveys. In a paper written for the *Academy of Management Review*, Yoash Wiener proposes a values measurement system (Yoash Wiener, 1998) with the intention of providing structure and rigour when forming opinions and drawing conclusions on an organisation's value system. Wiener suggests that it is possible to measure an organisation's value system based on the source and content focus of the values. His measurement system captures the contingent relationship between culture and organisational effectiveness and measures the conditions leading to culture. Wiener uses the concept of "shared values" to represent a core element of organisational culture stating that *"when a number of key or pivotal values concerning organisation-related behaviours and state of affairs are shared - across units and levels - by members of an organisation, a central value system is said to exist"*. Wiener's value system measurement typology considers i) the strength of the organisational value system (the intensity of values and the breadth (pervasiveness) of values) and ii) the effectiveness of the organisational value system (the focus of the values and the source of the values). He bases his work on Rokeach's definition of a value *"a value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence."* (Rokeach, 1973, p.5).

The first step in Wiener's measurement system is to identify the intensity and breadth of an organisational value system, this acknowledges the fact that some organisational employees may not agree with a specific value. This is then indicated by a ratio which will reflect the number of key values held by employees. See the process adapted from (Wiener, 1988, pp536) below:

Step 1: Identify the central values of the organisation

- Stated set of corporate values or
- Judgements based on interview feedback with central leadership if possible (their vision & strategy)

Step 2: Assign a weight to each core value identified, reflecting its importance to the organisational mission (if there is a weighting)

Step 3: Establish the number of members sharing the core values, in order to clarify the system's intensity

Step 4: Establishing the intensity index: Calculate the mean level of agreement with each value separately

$$\frac{\text{no. of instances "yes I agree it's a value"}}{\text{no. of members asked}} \times \text{weighted importance} = \text{The intensity of membership agreement with the value system}$$

Step 5: Establish the breadth index: The level of overall intensity of a value system

This step acknowledges the fact that some organisational members may not agree with any central value. The relative number of members who agree with a central value reflects the breadth of the value system (the extent to which values are shared). This can be indicated by a ratio determined by the number of key values held by members

$$\frac{\text{Sum of key values actually held by each member across all members}}{\text{max \# of values that could be held by all members}} = \text{ratio}$$

The ratio is highest (equal to 1) when each member has internalised each of the core values

N.B. It is worth noting that for this step, Wiener advises further investigation into the standard procedures of belief measurement (Fishbien & Ajzen 1975, 1982) and techniques to minimise the effects of members giving "socially desirable responses" (Kiesler, Collins & Miller, 1969).

Step 6: Classify the **Focus** of each core value as functional or elitist by analysing their content and asking questions

Step 7: Decide whether the value system is primarily functional or elitist. This can be determined by the strength of values in terms of breadth and intensity of the elitist values relative to the functional ones.

Step 8: Attribute the **Source** of each core value as derived either from tradition or charismatic leadership

Wiener states that: “When values are rooted in tradition, the same or similar values are transmitted from one generation of organisation members to the next. Such values are relatively independent of the potential influence of individuals or situations. Values rooted in tradition are, by definition, time tested and more likely to lend stability and predictability to organisational functionality”.

Step 9: Use the data to measure the effectiveness of the organisation’s value system. Assess the type of organisational value system in place against the following classification system:

Wiener describes four types of value systems and gives an opinion on their effectiveness, but points out that even theoretically helpful typologies usually are simplified representations of complex realities. See appendix A for descriptions.

Figure 6. A classification of types of value systems based on focus and source of values.

Focus of Values	Source and anchoring of values	
	Organisational Tradition	Charismatic Leadership
Functional	Functional Traditional	Functional Charismatic
Elitist	Elitist Traditional	Elitist Charismatic

Source: Yoash Wiener (1988)

In using this model, one is implicitly agreeing that “Any given value can be assessed, in terms of the objective and focus of its content as primarily functional or elitist. Functional values concern the mode of conduct of organisational members. They focus in particular on goals, functions and style of operations. They deal with issues such as product quality, customer service, or innovation. These may be expressed by such statements as the customer is king, never kill a new idea, quality is job one” (Wiener, 1988, pp537). In accordance with the definitions outlined in appendix A, Wiener concludes that functional values are more likely to be constructive values. They constitute explicit guides for members’ behaviour and are likely to elicit rational behaviours because of the strong emphasis of the means to achieve goals, whereas elitist values concern the status, superiority and importance of the organisation itself, its products and its members, particularly in relation to other institutions and society at large. It is argued that elitist values are more likely to generate strong feelings such as pride, towards the organisation. An emphasis on organisational primacy, in the long run, may undermine the organisation’s integrity. When values are rooted in tradition, the same or similar values are transmitted from one generation of organisation members to the

next. Such values are relatively independent of the potential influence of individuals or situations. Values rooted in tradition are, by definition, time tested and more likely to lend stability and predictability to organisational functionality.

2.5 Implications for analysing the cultural change programme at Fortis

The theories, views, definitions and models around culture and values outlined in this paper all contribute to the context or frame for analysing the cultural programme at Fortis. They provided both mental models to guide thinking and processes to follow to ensure a rigorous analysis of the values-in-use and the cultural map of Fortis. In particular, the following theories proved useful in framing and analysing the values and culture at Fortis.

2.5.1 Theories and Models used

Influenced how the research was designed:

The theories and models encountered through the literature review influenced my personal frame and context, the choice of questions and the design of the overall questionnaire. The work of Hofstede contributed to the overall frame by providing historic and national culture clues into the possible reasons for particular similarities and differences in behaviour on display amongst employees.

The research was heavily influenced by Argyris & Schön's identification of *espoused theories* and *theories-in-use*. Throughout this research *the fortiomos* were considered to be Fortis' desired / espoused values. Senior HR executives at Fortis have identified *the fortiomos* as their **axioms** (Oxford English Dictionary definition: accepted general truths or principles). *The fortiomos* have been introduced to employees gradually over the last 12 months, they are the desired values at Fortis according to the Group HR Director M. Deboeck "*these fortiomos are our axioms, our accepted general truths or principles*" (Interview: Deboeck, 2006). Questions were designed to uncover the real values-in-use amongst Fortis employees.

Influenced what was investigated and analysed:

Schein's approach to cultural analysis has influenced the research design through providing three levels to the analysis of culture: from tangible *artefacts* (such as visible organisational structures, processes etc) and *espoused beliefs and values* (such as

strategies, goals and philosophies) to the intangible, such as the *basic assumptions, the unconscious, taken for granted beliefs, perceptions, thoughts and feelings that people have about “the way things work around here”*, (Schein, 2004, p.19). Schein’s approach allows for an analysis into emotions, beliefs, values and norms of behaviour and visible artefacts of a culture, helping to avoid over-reliance on only one perspective. By considering a combination of “basic assumptions” it allows for triangulation of the data observed.

The measurement system put forward in Yoash Wiener’s 1988 paper has also been used as the framework for measuring the effectiveness of Fortis’ value system. It was used as an experiment to attempt to enable a view on the breadth, intensity, focus and source of Fortis’ values. The results and findings are covered in Chapter 4. An assessment of the applicability of Wiener’s measurement system is covered in Chapter 5.

Naturally my own values and beliefs formed part of the attempt to decipher the existing culture at Fortis, it is acknowledged that some observations will inevitably be projections of my own background, culture and beliefs, personal values and experience. Keith Grint referred to this phenomenon known as “autopoiesis” in his first lecture on change for the Consulting and Coaching for Change programme at Oxford, November 2005. He defined “autopoiesis” as a self-making / self-referential and discussed how this phenomenon operates at the individual level, the group level and the organisational level as a way of preserving core identity “*people are only interested in what they are interested in*” Grint (2005). It is also referred to as “self reference criteria” in marketing text books which often refer to a classic article written for Harvard Business Review in the 1960s by James E. Lee, who exposed the natural tendency among executives to fall prey to a self reference criterion “*an unconscious reference to one’s own cultural values*” Lee (1966, pp. 106-114). For the purpose of this study, the views and perspectives most sought after are those of the Fortis employees themselves, personal observations will form only part of the picture for analysis. This research investigates whether or not the introduction of a set of espoused values at Fortis, *the fortiomax*, through the Leadership for Growth programme has had an affect on the attitudes and behaviours of employees at Fortis and will attempt to reveal a picture of the real culture at Fortis as it is today. Fortis is a multi-national organisation, it has its national core in the Benelux, which is attempting in one way or another to have an influence beyond to a variety of outposts abroad,

within each outpost there are points of divergence in attitudes and behaviour from the “home”. It goes without saying that the executives interviewed will have different cultural values, attitudes and beliefs, which at times may be incompatible with Fortis’ corporate values. Yet, as will become clear from the main body of research, whilst the Fortis Executive Team do wish to encourage behaviours and attitudes in alignment with *the fortiomas*, they intended them to be a minimal specification when it comes to attitudes and behaviours (rather than a maximal specification). They are not aiming for a monoculture and recognise the importance of a balance between diversity and standardisation of processes and systems. Diversity is one of *the fortiomas* and is currently being given a much higher focus at Fortis (they have recently appointed Lynne Rutherford, a South African, living between London and Brussels as Head of Talent, for whom encouraging diversity across the Group is a key priority). With this in mind, Griseri’s work adds to the frame by providing a reminder of the importance of diversity in values and the reality that multi-nationals will always have to balance local values with home values, but if a correct balance is achieved, a multi national will have a rich resource of skills, views, factual beliefs, approaches to analysis and more crucially a diversity of feelings and emotions to understand its external stakeholders “ *this diversity creates the opportunity for a kind of double loop learning allowing the organisation to learn from its mistakes and build up the capability to meet new value challenges in the future...thus creating a new kind of strategic competence*” (Griseri, 1998, p85). Whilst Griseri’s arguments are strongly in favour of recognising the diversity in values and highly critical of the more extreme approaches to the idea of shared values, it is worth noting that even he agrees that “*that sharing values is not intrinsically wrong – far from it. Part of the mistake that can easily be made is to confuse sharing-as-communicating with sharing-as-accepting. The latter is dangerous, the former is highly desirable.. the key lesson is that values are not simple objects that can be uncovered, amended or replaced. They are part of a complex dynamic, reaching from the heart of a person’s individual identity into their external behaviour and in some ways to their dialogue. As such they require the closest and careful attention if they are to be brought to the disposal of organisations*” (Griseri, 1998, p.85). This perspective adds an ethical frame to this research and acts as a guide during the interview process and the process of analysing data. So has the reality that when analysing values and culture, data and conclusions will always be assumptions and not sure facts.

As previously stated, it is not the purpose of this dissertation to review leadership per se and therefore no particular leadership theories and models were used in the design of the questionnaires. However, the theories and models of Heifetz and Collins are used to review the L4G programme and the leadership of Jean Paul Votron, in sections 5.2.1 and 5.3 of the Conclusions.

2.6 Conclusions of literature review

Whilst the two key concepts behind this research, culture and values are closely related, this literature review uncovered a wealth of publications, articles and case studies on culture, yet by comparison, relatively few publications on the topic of values. As discussed in section 1.1 “why is culture a hot topic today? The last decade has seen a considerable increase in the interest in the concept of organisational culture and its contribution towards success. It has become important for leaders to understand their organisation’s culture and determine how it is affecting strategy implementation and ultimately performance. Perhaps it is due to the complexity of values that fewer texts have been written, certainly there have been advances made in empirical tests into the content and structure of values, predominantly in the academic field. Some professional consultancies offer diagnostic tools to identify the culture of an organisation and many design and implement cultural programmes, but fewer work specifically with values. At this point, before the main body of research is outlined and findings declared, it should be noted that some academics and professionals practising in the field of culture subscribe to the view that it is not possible to accurately measure culture, this view is taken into consideration in the presentation of findings and conclusions.

3.0 A case study of cultural change at Fortis – research design

3.1 Background

At an initial meeting with M. Joris De Boule, Director of Organisational Learning at Fortis it became apparent that in order to consider the effect of *the fortiomas* on employee's attitudes and behaviours at work, it would be necessary to increase the scope of the investigative study to also include an illumination of the Leadership for Growth (L4G) programme and its role in socialising *the fortiomas* amongst employees. *The fortiomas* were introduced to Fortis employees in earnest, in September 2005. The L4G programme, which also launched in September, is one of the key vehicles for their roll out.

The integral role of the L4G programme in setting the strategic context for *the fortiomas* quite clearly made it impossible to investigate the impact of *the fortiomas* without also studying the role of the L4G programme. In order to establish the effectiveness of the programme in socialising *the fortiomas* it was necessary to study it first hand. I was given the opportunity to attend one of the programmes in Mello in June 2006, this afforded the opportunity to observe, participate and meet Fortis executives from across the globe. At Mello I shared what was at times, a very personal, 3 ½ day learning experience for 25 Fortis executives. It was a fascinating and highly enjoyable experience that allowed me to discuss many elements of the programme, the culture and strategy at Fortis and views on *the fortiomas* first hand. Overall, it was a very useful ethnographic study. It also allowed for the arrangement of further in-depth interviews through individuals I met on the programme. Interviews were arranged with 9 individuals from the programme, 5 of their subordinates who have not attended the programme and 4 colleagues / bosses who had attended earlier in the roll out. From the total of 25 interviews, 18 were performed with Fortis employees, 5 with members of the HR Management team and 2 with ELP consultants who helped design and run the L4G programme. Given that the programme has been running since September last year, it has been possible to get a picture of whether or not it is having a real “lasting effect” from the managers who attended in late 2005 and early 2006.

3.2 Data Collection

Multiple sources of evidence have been used to help triangulate findings.

3.2.1 Period of analysis

Data collected	Sept-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06
L4G quantitative data	[Orange bar from Sept-05 to Jun-06]													
Qualitative interviews							[Light orange bar from Mar-06 to Oct-06]							
Ethnographic study of L4G										[Yellow bar]				

Overall period of analysis September 2005 – October 2006

- Field research took place every month over a six month period between May and October 2006
- The ethnographic study on the L4G course lasted 3 ½ days in June 2006
- Quantitative survey data supplied by Fortis spans the period Sept 2005 to June 2006
- Each interview lasted between 45 minutes and 1.5 hours

3.2.2 Data sources

Table 2: Data Sources

Qualitative Data	Quantitative Data
25 Interviews - 18 interviews with participants & non participants of L4G - 5 interviews with HR Steering Committee members - 2 interviews with ELP (1 ELP partner and 1 programme director)	Post L4G questionnaire results - Data showing the results / scores of the post – L4G evaluation questionnaire completed at the end of each session
Direct observations - Field visits to 3 Brussels offices, 1 Utrecht office, 1 London office, 1 Paris office	Values Survey - Values survey to 18 participants / non participants (Wiener experiment)
Ethnographic study - Attendance on the Leadership for Growth programme at the Chateauform Forteresse de Mello, France, June 2006.	Documents - Copies of the Fortis Tribune (internal newsletter) - Official company data sourced from www.fortis.com - Internal documents sourced from M. De Boulle - Newspaper articles (FT articles on Jean-Paul Votron and Mello)

3.2.2.1 Employee sample - breakdown of interview participants:

Initial interview participants were sourced from relationships formed at Mello in June 2006. Effort was made to ensure a good representative split across age range, country, business, function and length of service with Fortis, although the sample is not completely representative of each business within the Fortis Group. Interviewees were sourced from relationships formed whilst attending the L4G programme, as such the “pool” of employees to arrange interviews with was under represented in some areas. No employees from the Insurance business were interviewed and the Retail Bank is probably under represented in comparison to the Merchant Bank and Private & Commercial Bank. In some cases it was possible to interview L4G participants, a member of their team (who has not yet attended L4G) and either the participant’s boss or a colleague who attended either late 2005 or earlier in 2006, but this was not possible in all instances. From the sample of 25 people interviewed, 9 individuals from the June programme were interviewed, 5 of their subordinates and 4 of their colleagues or bosses who had attended L4G earlier in the roll out (see appendix B for details). In addition 5 members of the HR Management committee were interviewed and 2 members of ELP.

3.2.2.2 Question set

Fortioma questions:

1. Before you attended (your boss attended) Leadership for Growth, what did you think the values were at Fortis? (evidence to support?)
2. Had you been introduced to *the fortiomas* before Leadership for Growth (before you boss attended L4G)? (evidence to support?)
3. Do you use *the fortiomas* in your day to day work? (evidence to support?)
4. Do you think there are barriers in place to actually living *the fortiomas* right now? (evidence to support?)
5. Which 3 *fortiomas* are displayed most often day to day? (evidence to support?)
6. Which 3 *fortiomas* are displayed least often day to day? (evidence to support?)
7. Are there ways in which you could be further supported to spread the *fortiomas*?

Leadership for Growth questions:

1. Did the L4G programme meet your expectations?
2. Did any part of the programme influence your attitude and or behaviour at work? (evidence to support?)
3. Do you believe you're a better leader as a result? (evidence to support?)
4. Was L4G the best leadership course you've attended so far?
5. How do you feel now after the programme?
6. Did your view of Fortis change as a result of attending the programme?
7. Did your boss talk to you about L4G before or after? (evidence to support?)

In the main, all of the above questions were asked to each interviewee. Where an interviewee hadn't attended L4G, the question focused on whether or not they had experienced a difference in attitudes or behaviour of their boss following their attendance at L4G. In acknowledgment of the theories of Argyris & Schön "*espoused theories*" and "*theories-in-use*" (Argyris, 1974) every attempt was made to obtain evidence from interviewees to substantiate their responses. And whilst the theory was not deeply discussed, in each interview the conversation explored the difference between what people say they value or would like to value and what is actually valued and demonstrated through behaviour day to day. It is worth noting at this point that although unintended, the very fact that the interview predominantly looked at *the fortiomas* may have artificially limited the focus around those particular values and prevented other values from coming forth (although some other values did come forward from the interviews).

3.2.2.3 Values Scorecard Survey

It was decided to experiment with using the Wiener model for analysing the value system at Fortis, it involved using a simple survey to ask 18 employees interviewed whether they agreed that a particular *fortioma* is really alive day to day at Fortis. Participants were asked to score yes / no to each of the 14 *fortiomas*. See appendix C for example.

3.2.2.4 L4G post-evaluation questionnaire

Quantitative data was provided by Fortis showing the aggregated feedback scores from each L4G session that took place between September 2005 and June 2006. Results come from the questionnaire completed at the end of each L4G session. See appendix E for results.

3.2.2.5 Ethnographic study of Leadership for Growth

Through participation in and observation of one of the LAG programmes in June, I was able to experience the affect of the programme first hand, as well as observe the inner workings of a group of Fortis employees and attempt to understand their shared beliefs and customs.

3.3 Analysis framework

The overall analysis strategy was to pattern match within the qualitative data and between the qualitative data and the quantitative data in order to form answers to the two research questions. Each qualitative interview was recorded on a Dictaphone, transcribed and examined to identify relevant quotes according to a pre-designed framework. Firstly, quotes where individuals had given a direct answer to the question set were identified. Each quote was classified into 1 of 5 categories and posted on a *post-it* onto brown paper to create a data display, a kind of flowchart for examining the data.

The 5 categories:

- Strongly positive
- Slightly positive
- Neutral
- Slightly negative
- Strongly negative

The 5 categories allowed for a simple count of whether the overall responses to each question derived a positive or negative response. Furthermore the strength of each positive or negative response was derived depending upon how many interviewees answered the question. The strongly positive and slightly positive scores were added together to form a positive result, the strongly negative, slightly negative and neutral scores were added together to form a negative result (see appendix F). Where the strength of response was high in either a positive or negative direction, conclusions have been drawn in this text. Where an interviewee gave evidence of a particular value being evidenced in actual behaviour or attitudes at work, these were pulled out into a separate brown paper chart and used as evidence of behind the identification of values-in-use at Fortis. The same process applied where evidence of functional or elitist tendencies was given.

The “unit of analysis” for this research are the attitudes, behaviours and values of 18 Fortis employees as evidenced. As previously discussed, these form part of a complex dynamic. Attitudes and values come from deep within a person’s identity and show up in different ways in their behaviour, inside and outside of the workplace. As such it was important to keep in mind Argyris and Schön’s *espoused theories* and *theories-in-use* (Argyris & Schön, 1974, p. 30) and every effort was made to avoid the problem of accumulating false data. On the advice of Bob Putnam¹¹, examples were asked for from interviewees, in order to attempt to improve the accuracy of data coming from the interviews.

In order to avoid “leading the interviews”, some flexibility was required when posing questions. On some occasions not every question was posed and not every individual necessarily responded directly to every question asked. From the database I was able to establish whether or not the question had received mainly positive or negative responses, identify common themes and establish patterns by cross referencing against the quantitative data (for a detailed view of the number of strong quotes recorded and from which area, see appendix F). This was followed by a review of the national culture theories put forward by Hofstede (2000) in order to establish whether or not the attitudes and behaviours, both espoused and evidenced through examples were in alignment and could have been predicted in any way.

Given that the behaviour and attitudes of Fortis employees are surely subject to other influences inside the organization, it was important to consider rival explanations for any changes evident. One such rival explanation is the strong impact of the (relatively) new leader, CEO Jean Paul Votron on the culture at Fortis. Votron’s growth strategy and drive for enhanced performance throughout every business has had a huge impact on the culture at Fortis. The change of focus from a long period of cost cutting to one of growth has been a 180° turn. As such, the theories and models of Heifetz and Collins are used to review the L4G programme and the leadership of Jean Paul Votron, in sections 5.2.1 and 5.3 of the Conclusions.

¹¹ Bob Putnam lectured in module 4 of the Consulting & Coaching for Change programme at HEC in May 2006, Paris. He is partner and co founder of Action Design and co-author of the book “Action Science” with C Argyris and Diana McLain Smith

The overall analysis strategy was designed to ensure the validity and reliability of the research. The theories of Hofstede, Argyris, Griseri, Collins and Heifetz were all considered during analysis. Multiple country perspectives were sought from across Europe, The US and Asia and an attempt has been made to reveal the lasting impact of the introduction of *the fortiomax* and L4G by talking to people who have been exposed at different times over a 12 month period. Attention was also paid to the four “design tests” offered by the COSMOS Corporation, cited in Yin, see below:

Table 3: Case Study Tactics for Four Design Tests

Tests	Case Study Tactics	Phase of research in which tactic occurs
Construct validity	<ul style="list-style-type: none"> - use multiple sources of evidence - establish chain of evidence - have key informants review draft case study 	<ul style="list-style-type: none"> - data collection - data collection - composition
Internal validity	<ul style="list-style-type: none"> - do pattern matching - do explanation building - address rival explanations - use logic models 	<ul style="list-style-type: none"> - data analysis - data analysis - data analysis - data analysis
External validity	<ul style="list-style-type: none"> - use theory in single case studies - use replication in multiple case studies 	<ul style="list-style-type: none"> - research design - research design
Reliability	<ul style="list-style-type: none"> - use case study protocol - develop case study database 	<ul style="list-style-type: none"> - data collection - data collection

Source: COSMOS Corporation, cited in Yin 2003, p.34

4.0 Research Findings

4.1 The impact of *the fortiomas* on attitudes and behaviours

Research question: Has the introduction of *the fortiomas* had a positive effect on employee attitudes and behaviour?

4.1.1 Employees reveal the real values-in-use and the impact of *the fortiomas*

In an attempt to get under the skin of Fortis and establish the real values-in-use and whether or not they indeed reflect the desired values *the fortiomas*, a set of interview questions was composed to attempt to understand:

- levels of awareness around *the fortiomas*
- what employees think about *the fortiomas*
- if employees agree each of *the fortiomas* is alive by example day to day
- if employees believe people share any different values at Fortis
- if employees are or have been using *the fortiomas* in any way at work with their teams.





Seven questions around values and *the fortiomas* were posed to interviewees. For a full account of the positive and negative quotes retrieved from the interview transcripts, appendix F shows the number of direct answers recorded against each question and records each quote in full.

The vast majority of interviewees were aware of *the fortiomas* and several managers have begun to see them appear in presentations and appraisals, although from the interview sample only one of the managers who attended L4G in June has introduced them into his team in a major way, one of his team members commented “*yes I saw the fortiomas on the intranet and then my manager gave everyone in the team a fortioma to focus on when he returned from Mello*” (Fortis Merchant Banking Employee, Brussels, 2006). Perhaps understandably, the only interviewee who had no real prior knowledge of them before L4G was from part of the Group recently acquired and currently still undergoing integration “*I hadn’t been introduced to the fortiomas, no not at all, hadn’t a clue what they were, and I bet if you asked anyone here they wont have any idea what you’re talking about*” (Fortis Private & Commercial Banking Employee, London, 2006). Managers with teams were aware of *the fortiomas* from their introduction into the new appraisal system.

When asked for views on what they thought the values were at Fortis before they attended L4G, half of the interviewees responded in a positive manner, having clear responses: “*we had very clear messages coming from Votron of growth and a clear message from the CEO of Global Markets of “double digit growth”, which was different, for the years before we had the opposite, cost reduction*” (Risk Management employee, Luxembourg, 2006) the other half in a negative manner “*I think the values of Fortis were a little unclear, I probably really don’t know. I think it’s an organisation driven by profit and short term goals*” (Fortis Merchant Banking Employee, Asia, 2006). Those who responded negatively just did not really know what the values were at Fortis before L4G, whilst those who responded positively gave unswerving answers as to what they believed was valued at Fortis before they attended L4G. Values stated were “**the customer**” (focus on client), “**profit**” (drive performance), “**results**” (deliver results) , “**being positive**” (be positive) and “**diversity**” (encourage diversity). According to this particular sample of Fortis employees, these values have been espoused and focussed on over the last 8-10 months. Performance seems to be a clear thread running through these values. What is interesting is the appearance of “diversity” amongst this set of performance related values. There remains a lot of uncertainty amongst employees as to the exact meaning of the term diversity and how that applies to Fortis, but it was clear from responses that it was considered a value before attending L4G. Particularly when it comes to products and how that brings competitive advantage to Fortis’ product range “*diversity is really valued here, in terms of products and nationalities, we cover all countries, there is diversity in terms of channel too, it adds value for our customers*” (Fortis Investments Employee, Paris, 2006).



As interviewees began to talk about the culture at Fortis they gave examples of where particular values showed up in their day to day work. As before, responses ranged across the scale from strongly positive examples to strongly negative examples, just over one third were positive whilst slightly more at just under two thirds were negative. The table below contrasts some of the evidence and examples given when interviewees responded to questions on whether or not they agreed *the fortio*mas were alive and in use day to day at Fortis (further examples are cited in appendix F)

Table 4: Fortiomas alive day to day at Fortis – examples and evidence

Fortioma	Example - the fortioma is not in use	Example - the fortioma is in use
	No examples given	<p><i>“client, deliver results and performance are most alive. There’s a strong focus throughout the organisation to define the performance target and deliver those performance targets” (Merchant Banking Employee Asia, 2006)</i></p>
	No examples given	<p><i>“results are what’s celebrated around here, its always a mixture though because we’re doing better but need to work harder to hit break even” (Retail Banking Employee, Utrecht, 2006)</i></p>
	<p><i>“entrepreneurship people find much more difficult, they automatically assume its going to be sales related, its probably the more senior people that feel they can influence and change direction, its not a natural culture for junior bankers” (Private & Commercial Banking Employee, London, 2006)</i></p>	<p><i>“I have autonomy to run my business because it is totally new and my boss lets me get on with it” (Investments Employee, Paris, 2006)</i></p>
	No examples given	<p><i>“setting the example, if you’re talking about the managers, they set examples trying to achieve objectives, my boss is very passionate and he sets the example that gives you courage to get on with it” (Merchant Banking Employee, Brussels, 2006)</i></p>

Fortioma	Example - the fortioma is not in use	Example - the fortioma is in use
	<p><i>“develop yourself is clearly lacking, but now we have a mandatory requirement to take courses, which is very good but I’m pretty sure that only half of us will get to it, we’re too busy” (Merchant Banking Employee, New York, 2006)</i></p>	<p><i>“there are at least 4 in my team who have had training and moved into other parts of the bank, that’s a clear development and one of the better outcomes of the fortiomas” (Private & Commercial Banking Employee, London, 2006)</i></p>
	<p>No examples given</p>	<p><i>“it’s crucial to keep clients happy, there is no choice for me. For example if there was an internal project I was involved with that was just about making some improvements or another project about developing a new area of business for clients, the second project, there would be no choice” (Investments Employee, Paris, 2006)</i></p>
	<p><i>“mobility isn’t something being talked about, but when you know there are 12 jobs on the Operations side in New York which aren’t on the “be mobile” job site of head office because they choose not to be involved at this point, it’s not very encouraging” (Private & Commercial Banking Employee, London, 2006)</i></p>	<p><i>“I am mostly the only one who has international experience but my team are starting to move around, I’m sending someone to London, it’s important part of the career path international experience, it’s very positive” (Merchant Banking Employee, Brussels, 2006)</i></p>
	<p><i>“I think it’s hard to be positive if you’re a victim of mergers, people are losing jobs, getting lower HAY grades and that does not make them positive” (HR, Brussels, 2006)</i></p>	<p><i>“they wanted us to think positive, to think positive and be optimistic and that is something that comes when you do a good job with customers, you make good results, then you feel positive as well, when I’ve had a good result, I feel positive, I can go for better results, its like a circle” (Merchant Banking Employee, Brussels, 2006)</i></p>

Fortioma	Example - the fortioma is not in use	Example - the fortioma is in use
	<p><i>“there’s a paradox with courage, people are more scared than ever to lose their jobs, people have been let go. It impacts courage because people know if they show courage to do something new, to break down theoretical walls and they don’t do it in a proper way, there will be trouble”</i> (Merchant Banking Employee, Brussels, 2006)</p>	<p><i>“I never make decisions in isolation and its funny because we are isolated in Asia, sometimes I don’t have a senior person to refer a decision to because they’re 8 hours behind us and they’re still asleep. But a decision has to be made, what I’m saying is I consult my senior staff but then we have the courage to make the call”</i> (Merchant Banking Employee, Asia, 2006)</p>
	<p><i>“we have successes but we don’t celebrate them very often, we go into the next programme, projects are delivered but rarely celebrated”</i> (Retail Banking Employee, Utrecht, 2006)</p>	<p><i>“passion is alive with key players, decision makers, the bosses of Global Markets are results driven, they have heavy workloads but their passion is so positive that everyone is motivated more to deliver”</i> (Risk Management Employee, Luxembourg, 2006)</p>
	<p><i>“it’s easy to say within our own department there is team spirit, but if you look for marketing and business support across departments, there is not team spirit, we do not share information or results”</i> (Retail Banking Employee, Utrecht, 2006)</p>	<p><i>“I feel this is a fair company from how they treated my ex-colleagues who were made redundant, they were treated well”</i> (Private & Commercial Banking Employee, London, 2006)</p>
	<p><i>“no to act as one, the political game is the reality, it’s the way it’s been set up, the business in New York are satellites of the business here, also sometimes businesses are in different parts of the Group and there are political plays between personalities”</i> (Merchant Banking Employee, New York, 2006)</p>	<p><i>“we also spend quite a lot of time working with other teams in the bank to make sure they’re always aware of what’s going on at high work peaks, units work together to make sure that they can still get targets met”</i> (Private & Commercial Banking Employee, London, 2006)</p>

Fortioma	Example - the fortioma is not in use	Example - the fortioma is in use
	<p><i>“Policies are often made in credit committees but they’re not communicated to anyone. Internal role moves are not communicated to the US, it gets lost between the levels”</i> (Merchant Banking Employee, New York, 2006)</p>	<p><i>“since the Single Legal Booking Entity combining the Merchant Banking business of the Benelux, communication and strategy has got a lot better, our new CEO communicates much better”</i> (Risk Management Employee, Luxembourg, 2006)</p>
	<p><i>“encourage diversity is least displayed, I think the new structure is trying to go the other way around and standardise processes. To be fair Fortis is made up of so many different businesses, there has to be some standardisation, probably this value is less important whilst we’re standardising”</i> (Private & Commercial Banking Employee, Asia, 2006)</p>	<p><i>“I’ve seen so many different nationalities in the dealing room today, Turks, Asians and lots more women, it used to be a male environment, now it’s more 50 / 50, product wise we are very diverse, all kinds of asset classes, rates, commodities”</i> (Merchant Banking Employee, Brussels, 2006)</p>

It would be fair to say in summing up the responses from interviewees around values and *the fortiomas* that there is a difference between the desired culture in that this is expressed through all of *the fortiomas* and the actual values-in-use today at Fortis. Some of the fortiomas are clearly alive in people’s attitudes and behaviour. Responses show that both before and after L4G, interviewees were clear that Fortis valued growth, results, performance, the client, be positive and encourage diversity. The growth and performance message was even further corroborated by the fact that not one person gave a negative response doubting that the values “drive performance”, “deliver results” and “focus on the client” were values at Fortis.

This pattern of agreement that performance related values have been and still are alive within Fortis is further supported by the results of the values survey quantitative data, which was collected to test out the Wiener model (see section 2.5.2 Methods of analysing values). The results of the survey which are revealed in section 4.1.2 show that three values are again “more alive” than all of the others.

4.1.2 The values scorecard survey reveals values “most alive” at Fortis

Wiener’s value-system measurement process was used in an attempt to quantifiably analyse the value system in use at Fortis, a simple scorecard was used to ask interview participants whether they agreed that a particular *fortioma* is something that is really valued and alive at Fortis (see appendix C for example). Results show that *the fortiomas* categorically chosen as the “most alive” at Fortis now and over the last 12 months are:

- **Drive Performance – score 16/18 (89%) agree this is a value**
- **Deliver Results – score 15/18 (83%) agree this is a value**
- **Focus on the Client – score 13/18 (72%) agree this is a value**

There was a large drop in between the number of interviewees agreeing that “focus on the client” is a value (72%) to the number who agreed that “team spirit” is a value. Fewer than 50 % of those who agree that “focus on the client” is a value agree that “team spirit” as a value is really alive at Fortis. The table below shows that the number of interviewees agreeing that a particular *fortioma* is alive day to day, drops significantly from therein.

Table 5: Results of Values Scorecard Survey

Agree this value is alive	Number	Percentage
Drive Performance	16/18	89%
Deliver Results	15/18	83%
Focus on the Client	13/18	72%
Team Spirit	7/18	34%
Driven by Passion	6/18	33%
Be Positive	6/18	33%
Show Courage	5/18	28%
Encourage Diversity	5/18	28%
Be Mobile	5/18	28%
Develop Yourself	5/18	28%
Act as One	4/18	22%
Set the Example	4/18	22%
Stimulate Entrepreneurship	4/18	22%
Communicate the Story	3/18	17%

The values scorecard survey enabled steps 1 to 4 of Wiener's values-system measurement process to be implemented, the results in the table above reflect the intensity of agreement amongst participants that each *fortioma* is alive as a value today at Fortis.

Step two of Wiener's process, "weight each value" was not followed, as it has been explicitly stated by M. De Boule, Director of Organisational Learning that the HR Management team and Executive Committee had decided against applying weightings to *the fortiomas* for fear of relegating any of them to a lower league. This did not affect the result of each value calculation as the multiple in each case became zero.

From this face to face sample survey of 18 Fortis executives, it is quite clear that the three *fortiomas* people agree are most alive day to day at Fortis and therefore the axioms (accepted general truths or principles) which are real are all performance and growth related. Drive performance, deliver results and focus on the client are at the heart of the organisation today. If one sees however, as does Patrik Vervinckt, the HR Director for Horizontal Functions and a member of the Leadership for Growth Steering Group, that "*all the fortiomas are building blocks to how we build performance*" (Interview: Vervinckt, 2006) then it's concerning that fewer than half as many people agreed that the other 11 *fortiomas* are really alive day to day in Fortis. Whilst the Executive at Fortis have so far declined to give *the fortiomas* a weighting of importance, a declining pattern emerges from the data and points to areas that are out of alignment with the corporate growth strategy. Clearly "stimulate entrepreneurship" is suffering in some areas, various barriers were cited in interviews, predominantly attitudinal barriers. "Communicate the story" was *the fortioma* that received the lowest score in the survey, only 3/18 participants agreed that "Communicate the story" is alive day to day. Along with the low score given to "Stimulate entrepreneurship", it is concerning but not unusual that "Communicate the story" is *the fortioma* with the lowest score. Communicating well is a skill at the best of times, not least when stress and anxiety levels are high as a result of pressure to perform and deliver results. It seems that the quality of communication and how people define communication varies throughout the organisation. Some interviewees referred to a lack of face to face communication, "*At Fortis they do try and communicate the strategy, we get a global paper, but without being in contact with other individuals face to face, it doesn't seem as if you're receiving a full picture*" (Fortis Private & Commercial Banking Employee, London, 2006), whilst others gave examples of good cross border exchange and

learning “*The Merchant Banking conference creates a learning platform for the individuals who attend. We get to understand what products are out there, what opportunities there are to cross sell, what Fortis can do*” (Merchant Banking employee, Asia, 2006). The “functional” conferences or conventions¹² do seem to provide good opportunities for learning and exchange amongst Fortis employees but it is the day to day communication between boss and subordinate that seems to be more of a barrier. There is a clear logic behind the rationale not to weight *the fortiomias*, but the results from both the qualitative and quantitative data show clear gaps in value areas and there does seem an obvious need to focus future activity on the gaps highlighted by the low scoring *fortiomias* to support the strategic priorities across the Group.

4.1.3 The overall breadth of intensity of *the fortiomias*

On an encouraging note, it should be pointed out that every *fortioma* did receive a score, all 14 *fortiomias* got a vote. In accordance with step 5 of Wiener’s value-system measurement process, the breadth of *the fortiomias* as Fortis value system was calculated as follows from the data collected:

$$\frac{\text{Sum of key values actually held by each member across all members} - \mathbf{129}}{\text{max \# of values that could be held by all members} - \mathbf{252}} = \text{ratio } \mathbf{0.51}$$

Given that the ratio is highest (equal to 1) when each member has internalised each of the core values, the results of the above calculation show that **the current intensity of Fortis desired value system is half that it is hoped it will become.**

4.1.4 The focus and source of *the fortiomias*

The classification of each value as either functional or elitist and attribution of a source to each value was attempted in the majority of interviews, but it was much harder to implement in practice than the values scorecard survey. The combination of the relatively short time frame for each interview (considering everything else that needed to be covered) and the fact that there are 14 *fortiomias* meant it was not practical to ask

¹² Many business lines across the Group have started to introduce cross border conventions to improve the communication and sharing of information, e.g. Credit, HR, Audit, Communications, Retail Bank Belgium.

every interviewee their opinion on whether or not each *fortioma* was considered a functional or elitist value and where the source lay for each *fortioma*. Instead questions were asked to uncover the interviewee's opinion around whether or not they believed "overall" what Fortis values is a more functional or elitist approach.

From those interviewees who gave a clear response (there were five), there was unswerving agreement that the source of what was valued at Fortis comes from **charismatic leaders**, as opposed to tradition: "*charismatic people definitely, Fortis is a brand new organisation, it was only created 15 years ago. Because of this we have lots of different cultures within one entity and the only way to integrate everyone into one Group is to share some values. The only way to do this is via strong charismatic leaders*" (Fortis Private & Commercial Banking employee, Asia, 2006), whilst the source of Fortis values was identified as "charismatic leaders" amongst all who answered this question, in New York, only Jean-Paul Votron was clearly identified as being a strong a charismatic leader at Fortis "*Votron is doing the right thing but it doesn't trickle through enough*" (Merchant Banking employee, New York, 2006)

It was a little harder to establish whether or not Fortis values are functional or elitist. The question was posed in a "catch-all" fashion, "*do you believe the values at Fortis are more functional or elitist?*", as there was no time in interviews to run through a list of 14, identifying the source of each value. After discussions behind the definitions of functional and elitist values, four out of thirteen individuals who gave a clear answer to this question, stated that they believed Fortis values are more functional. They pointed to clear examples of concrete activities designed to support organic growth, "*I believe an example of growth where Fortis has made a good decision, is the Single Legal Booking Entity (SLBE), the 10% growth objective outside the Benelux is very well communicated and well done, I was surprised to get a DVD of Votron with the growth message when others in the market are shrinking and regulations such as MIFID¹³ are bringing swings in market niches*" (Risk Management employee, Luxembourg, 2006), "*I think the main focus of Fortis is to realise a substantial step forward in growth.*"

¹³ MiFID – the Markets in Financial Instruments Directive – comes into effect on 1 November 2007, when it will replace the existing Investment Services Directive (ISD). ISD sets out some basic high-level provisions governing the organisational and conduct of business requirements and it aims to harmonise certain conditions governing the operation of regulated markets. MiFID has the same basic purpose. But makes significant changes to the regulatory framework to reflect developments in financial services and markets (Source: www.fsa.gov.uk, Nov, 2006)

Before we were organised in silos, so each small business was quite in balance and self sufficient, now what Votron is trying to do is introduce horizontal functions, HR, Legal, Compliance functions to get more collaboration and control from the top” (Fortis Private & Commercial Banking employee, Asia, 2006). Eight interviewees however, stated that they believed Fortis was more elitist and gave examples of why they believed this to be the case: *“The business is at the top of the management hierarchy, if Ops want to make suggestions that the business doesn’t wish to implement it doesn’t happen, you end up waiting or it gets lost in the ether”* (Private & Commercial Banking employee, London, 2006); *“Sometimes you agree just because he’s the boss. If you explain your point and you don’t find a compromise then the hierarchy applies and the bosses decision goes”* *“There have been instances where to keep a new Italian client its crucial to have certain developments in place but Brussels have told me “we haven’t agreed to do that, I would rather lose the client, you are operations, you have only to support the business not to take into account your own requirements””* (Investments employee, Paris, 2006); *“I think people that work for an International bank tend to come from a mindset which believes its an important part of their career, if you work in a retail bank perhaps you are more sheep like almost”* (Private & Commercial Banking employee, London, 2006); *“In Brussels often the first objective is not the client, which is also part of the culture of the country, I think in Brussels the focus is more on the individual and their place in the hierarchy”* (Merchant Banking employee, New York, 2006). The evidence above points to the fact that whilst “elitist” values and attitudes clearly exist within Fortis and at times are barriers to living *the fortio*mas, the organisation is clearly in transition between an old and new paradigm. Functional values are also present resulting predominantly from the growth strategy and changes to the organisational structure are also having an impact *“I think the status of Fortis is changing because of this new organisation structure. The power and relations of people is changing. People who used to have perceived lower power are becoming increasingly important and the other way around, which obviously means tensions and frustrations. That is part of the game Votron is launching, there is an important message for status, firstly Fortis is changing, secondly, the recent senior manager layoffs that took place last year ”* (Private & Commercial Banking employee, Asia, 2006)

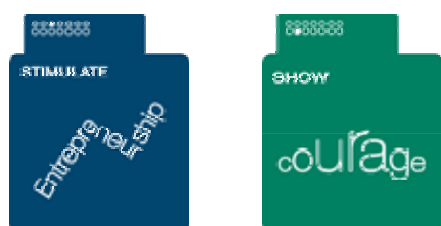
4.1.5 Employees reveal barriers to living the fortiomas now within Fortis

One of the questions asked was whether employees believe there are any policies, processes, structures, attitudes or behaviours alive today at Fortis that act as barriers to living *the fortiomas*. It is no great surprise that with the history it has, there are barriers that currently prevent people “living” *the fortiomas* within Fortis today. Indeed any corporate structure (it doesn’t have to have a silo history) puts up barriers between employees, as pointed out by Nick Van Heck, ELP partner and faculty member on LAG, “any formal structure will create some form of isolation or focus on the department first. Almost at once it puts up barriers by saying “we optimise at the country level or the business level or the functional level or the product level” whatever the structure, it forces people to refrain back to their specific group and subsequently the person gets appraised on their own bottom line” (Interview: Van Heck, 2006). Barriers cited by interviewees are predominantly attitudinal barriers, although a few process / IT barriers were also cited. Direct feedback from interviews is compiled in appendix D. Figure 7 below shows how barriers cluster into categories and how they are preventing behaviour in alignment with *the fortiomas*.

Figure 7: Barriers to living *the fortiomas* cluster into categories

Attitudinal barriers to living *the fortiomas*:

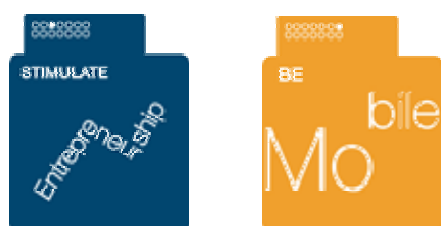
Hierarchy, Power, Politics, Consensus decision making *are barriers to*



Complacency and Cynicism *are barriers to*



Benelux focus *is a barrier to*



Process barriers to living *the fortiomas*:

Lack of communication *is a barrier to*



Lack of global IT systems & policies *is a barrier to*



Current HR policies *are a barrier to*



4.1.6 Summary of evidence from interviews

Most managers would be happy of more support from HR or Communications in rolling out *the fortioroma* exercises and new ways of thinking and behaving with staff. HR began distributing a “*fortioroma* toolkit” this summer, which is of a very high standard. It includes a background presentation for managers to give to staff, brand communications material, several workshop exercises to run in team meetings and CD ROMs packed with graphics, posters, and more background material. However out of the 9 interviewees who attended L4G in June only 2 talked about it. More effort needs to be given to encouraging their use amongst Fortis leaders. One way of encouraging more attention and focus on *the fortioromas* would be to seek out those individual leaders who are already using them with their teams (whether they’re using the toolkits or not does not matter) and communicate their efforts across the Group. There were a handful of interviewees who spoke of an indifference creeping in with regards to *the fortioromas*, “I have had 2 people tell me we are over killing on the *fortioromas* and I agree, probably 10% overkill yes. Probably it is too massive the roll out, we have done nothing for years and now it’s coming.. boom” (Risk Management employee, Luxembourg, 2006). This is an example of where complacency can creep in and start

to justify inaction. There are undoubtedly competing commitments here for people such as driving performance and delivering results.

One way to maintain a steady momentum to *the fortioma* message and to help them become “part of the way of life” at Fortis or “traditional values” (see appendix A, Wiener, 1998) would be to formalise training and development in an “academy” or “university” and integrate *fortiomas* into all training. Make it more formal and something that is respected and admired for its professionalism

4.2 The impact of Leadership for Growth

Research question: “Is the L4G programme an enabler for the adoption of *the fortiomas*?”

4.2.1 Employees reveal the affect of L4G

Qualitative Interview responses

The desired outcome of the L4G programme is that it is “an enabler” to a change of attitude and behaviour amongst Fortis managers and leaders. A set of questions was composed to attempt to get under the skin of L4G and establish whether or not it is indeed effective “means to an end” in socialising *the fortiomas* and is effective at providing other development tools to give managers more support in their transformed roles as Fortis leaders.

Questions covered the following topics:

- whether L4G had met participants’ expectations
- whether the programme had an effect on participants’ view of Fortis
- whether any part of the programme had an influence on participants’ behaviour
- participants’ views of the programme
- how participants feel after L4G

Each interview transcript is available (on request¹⁴) and forms part of the case study database. Appendix F provides a full account of the positive and negative quotes retrieved from the interview transcripts for analysis and shows the number of direct answers recorded against each question.

Table 6: The impact of L4G on participants

L4G question	Example – negative answer	Example – positive answer
Did L4G meet your expectations?	<i>“In general it was ok but there were elements really way too weak, including the faculty, the hero’s journey and the lady with the sticks, it was too childish”</i> (Merchant Banking employee, Brussels, 2006)	<i>“Mello exceeded my expectations, to be frank I had not expectations. I attended similar sessions when I worked for McKinsey and I must say McKinsey was quite good at all of this stuff, I was expecting something organised by Fortis would not be as good as McKinsey has been doing this for 8 years. I would say that 80% of the programme was really good and I benefited from</i>

¹⁴ Please contact the author: deborah.jones@jonesconsulting.org.uk

L4G question	Example – negative answer	Example – positive answer
		<i>it and would say as good as what I experienced at McKinsey” (Private & Commercial Banking employee, Asia, 2006)</i>
Had your boss spoken to you about L4G?	<i>“It tends to be a bit of a closed shop. Is it correct sending people on the course at great expense that the rest of the clan have no idea who else have been on the course? Probably not a good idea in my opinion” (Private & Commercial Banking employee, London, 2006)</i>	<i>“Not my boss, but someone higher than me who I have an excellent relationship with. He said “ I don’t tell you everything because I leave you the effect of the seminar but he gave me v. positive feedback and everybody said “it’s a genius effect Mello” (Risk Management employee, Luxembourg, 2006)</i>
Did your view of Fortis change as a result of L4G?	<i>“today people are more proud to work for Fortis and maybe that’s not L4G , I think its more and more the pressure from Votron – instilling a “we can do” mentality” (Merchant Banking employee, Brussels, 2006)</i>	<i>“yes it was very powerful. I had considered leaving Fortis and I decided to stay to share in its future” (Risk Management employee, Luxembourg, 2006)</i>
Has any part of L4G influenced your behaviour?	<i>“no I don’t believe my manager’s style has changed as a result of L4G” (Private & Commercial Banking employee, London, 2006)</i>	<i>“I am more quiet, when I came back from L4G my team did not understand why I was quieter and not putting them under as much pressure. I learnt on L4G its not very useful to use pressure to obtain results” (Investments employee, Paris, 2006)</i>
Do you think you’re a better leader as a result?	No negative examples given	<p><i>“I had great feedback in my 360°, almost a perfect match to my own spider web, but I like to think I will be even more positive as a leader now” (Merchant Banking employee, Brussels, 2006)</i></p> <p><i>“I have noticed a difference in my boss since Mello, he’s even more passionate than he is normally and very passionate for the fortiomas” (Merchant Banking employee, Brussels, 2006)</i></p>

L4G question	Example – negative answer	Example – positive answer
Was L4G the best leadership course you've been on?	<i>"No not at all, the goal was not very clear, it didn't get to the point, the group was too diverse. I don't think its right to mix people in their 50's who are quitting in 2 years with 30-35 year olds, they're in totally different stages of their career. I had another course which had a bigger impact on me, "Next Generation Leadership" (Retail Banking employee, Netherlands, 2006)</i>	<i>"yes this was the best leadership programme I've been on" (Merchant Banking employee, Asia, 2006)</i>
Are there ways in which you could be further supported?	<i>"I had discussions about Mello with my direct reports and colleagues and asked "what was your experience of Mello?" but this was not something that they asked us to do and I think its important especially if they'd like to keep this alive, only the top 250 got a follow up on LAG, not my staff, I think they should motive the senior managers to do more with their staff when they come back from Mello and have a discussion about their positive experience" (Merchant Banking employee, Brussels, 2006)</i>	<i>"no I don't think I need support, its down to character, when I came back from Mello I talked to everybody about it for weeks" (Investments employee, Paris, 2006)</i>
How do you feel now?	There were no negative examples, but two neutral examples given <i>"do I feel like one of the sheep who believes everything from the top? No I don't. Do I stop and think about LAG when I'm faced with certain situations? Yes I do" (Private & Commercial Banking employee, London, 2006)</i>	<i>"the programme helped me to feel part of a more unified group and to feel more proud to work for Fortis and whilst this doesn't have an impact on tomorrows revenue, if 3000 senior managers and managers have the same feeling as me it will help over time increase revenue as more people will be more motivated to attract business and be more competitive" (Private & Commercial Banking employee, Asia, 2006)</i>

It is apparent from interview responses that Fortis Executives had already started to receive messages of "performance" "results" and "growth" loud and clear over the last eight months and that the L4G programme played a strong role in re-emphasising

Fortis' strategic ambitions for the company and its people. "*I don't think I had a view before Mello really, Mello has strengthened my understanding of what Fortis values, but I had heard a few months before from Jean-Paul Votron when he started to put more emphasis on "act as one" and "go the extra mile".* (Private & Commercial Banking employee, Asia, 2006)

As one of the building blocks of the L4G programme, *the fortiomas* feature throughout the 3 ½ day programme. The execution of *the fortioma* session has already been changed to incorporate a card game that participants play for about 30 – 45 minutes, in order to become more familiar with each *fortioma* and how they can be useful in solving work issues. Fortis HR Management has already received positive feedback that this new approach is more effective, due to its fun and interactive nature. L4G is having a positive impact on levels of awareness, the knowledge of *the fortiomas* and their purpose. Some interviewees do not see *the fortiomas* being wholeheartedly embraced by senior management and are concerned that this will impact on the level of enthusiasm amongst employees at all levels. From personal experience of L4G and evidence from the qualitative interviews, it is clear to this researcher that whilst some managers leave L4G and begin to "spread the word", they are doing this out of their own volition. Stronger direction at the end of each L4G programme would perhaps encourage a few more managers to actively discuss *the fortiomas* in context of the growth strategy with their teams. The quote given by a senior manager in Merchant Banking, Brussels in response to the question "are there ways in which you could be further supported" (see table 6 on page 77) supports this view, as does the following quote from another individual in Merchant Banking, Brussels: "*I am trying to put the fortiomas into practice. I gave each of my people a fortioma when I came back from Mello and asked them to put actions in place to ensure as a team we behave more in line with that fortioma. They asked me, "seriously, do we have to go through this crap?" And I said, "yes you do because its not crap, its just a matter of getting used to it, we want to create one language for the whole bank, we want our own culture" but I wish my colleagues would do the same because if its only me doing this with my small team in such a large department, they will get tired of it and say "we want to stop". It has to be representatively spread and more coming from the top, as of today I don't feel much*" (Merchant Banking employee, Brussels, 2006). This particular interview took place in August 2006, two months after the individual had returned from L4G. A telephone conversation in November revealed that the "*fortioma* exercises" that were

put into place in this team have not really gained any momentum. When asked the reasons behind this, the individual stated that other priorities around delivering results and doing the day job had taken precedence. Another example of where *the fortiomias* are being used but in a slightly more cynical way was given from a Private & Commercial Banking employee in London “*I think the roll out of the fortiomias was poor but the message was successful because even people who are more cynical than I might be are using the fortiomias in their day to day life in a comical way, for example we had a meeting where I was asked if I could meet a particular date on a plan for a deliverable, I said “no” and some bright spark piped up “come on, be positive”, well I said “I’m positive we cant make that date”, there were lots of laughs, but I don’t think it matters if people use them in a comical way, as long as they use them*” (Private & Commercial Banking employee, London, 2006). It is natural perhaps that different managers in different locations will use and communicate *the fortiomias* in different ways, especially as they were not specifically told to start using *the fortiomias* with their teams.

4.2.2 L4G summary of interview feedback

In the main interviewees gave very positive feedback on L4G. The majority of participants leave feeling positive and it has been seen to positively change people’s views of Fortis and what it is trying to achieve as a Group. Feedback was given on specific modules within the 3 ½ day programme. All participants valued the 360° exercise, saying it provides real insight for their own behaviour and attitudes and is useful in highlighting differences in how they see themselves and how others see them. Comments were received that the scenario planning “future facts” exercise and the hero’s journey exercise were too long, others observed that the course should be more challenging – more university like. The one piece of feedback common to all interviews was the fact that the previous “rules” or “understanding” that one should not talk about L4G afterwards is a weakness and should be changed. This is a living example of how communication around L4G and *the fortiomias* has not been working and it is corroborated by the results of the values survey, which show that only 17% of interviewees agreed that “Communicate the story” was alive day to day at Fortis. According to M. De Boule, Fortis HR Management changed this aspect of the communication around L4G in September 2006. Although some executives were

clearly more proud to be working for Fortis now, the results of the interviews show that in the main the L4G course did not change a participant's view of the organisation.

4.2.3 Quantitative analysis of post L4G feedback confirms the programme is being well received

Consistent with the research undertaken into *the fortiomas*, quantitative data was also used to cross reference against interview evidence on the subject of L4G. Results from the post-L4G questionnaire, completed at the end of each L4G session were supplied by the Director of Organisational Learning. Results are very encouraging; the average score of the programme is 4.36 on a 5 point scale which is classed as “very good”; the average score on whether participants would “recommend to others” is 4.17 on a 5 point scale (very good); the average score of the *fortiomas* section of the L4G programme is 3.19 on a 5 point scale (good); the average score of ExCo members contribution is 3.87 on a 5 point scale (good). See appendix E for further details.

5.0 Conclusions of the qualitative and quantitative data

Over the past fifteen years Fortis has grown from being a Belgo-Dutch bancassurer in two local markets into an International Financial Services Group whose activities span the globe. As a result of its continual growth through acquisitions and mergers, Fortis has directed the majority of its resources over this period towards integrating new businesses, creating synergies through integrating processes and cutting costs by eliminating duplication across the Group. It is quite understandable that a new organisation growing at such a fast pace across the globe would concentrate effort on “getting the basics” right as it attempts to integrate each new business line. However, despite the fact that over the first ten years of Fortis’ history, some attention was paid to cultural issues and the “politics” between the Belgian and Dutch employees (see section 1.4.1 Fortis background) the people issues around resistance to change, lack of pride in the Group organisation and a “silo” mentality have contributed to an overall complacency and poor communication when it comes to working across business line and country borders to “act as one”. M. Van Rompaey, HR Director Finance & Planning reaffirmed this point, *“Fortis management has always focussed on that one technical dimension, do we have the processes, do we have the strategy etc? A bit less on “do we have the organisation in place? Good people? What do our people think? How are we behaving? Do we have good power balances? And completely not on culture. So that observation meant that we had to build something that has more balance in it, focuses less on that hard dimension and more on the people side of leadership”* (Interview: Van Rompaey, 2006)

For the past five years the Executive Committee and HR Management at Fortis have known they have a problem fully integrating each new business into a single Group culture. The challenge has been and still is i) to maintain and integrate the best cultural elements from the companies it has acquired and merged with, ii) to lose any elements out of alignment with the Group strategy and iii) to replace lost elements with a strong shared Group culture. This is not a simple problem with a simple answer.

Rittel and Webber (1973, pp.4 155-169) observed problems could be divided between “wicked” and “tame”. Grint offers a useful perspective on their work and defines wicked and tame problems thus: *“Tame problems are problems that theoretically are capable of resolution through the application of established techniques and processes; that is to say tame problems can be solved by management. However when problems are essentially novel, indeed unique, if they embody no obvious resolution point or assessment mechanism, if the cause, explanation and apparent resolution of the problem depends upon the view point of the stakeholder, and if the problem is embedded in another similar problem, then the problem is a wicked. Wicked problems are potentially open to better or worse development, but not “right” or “wrong” solutions and are thus only amenable to leadership – where leadership is defined as dealing with something novel – rather than management – defined as dealing with something which is both known and which has a pre-existing resolution”*. (Grint, 2005, p.9). In line with the above definitions, Fortis clearly has a “wicked” problem on its hands, a problem that cannot be resolved with a “right” or “wrong” solution, only a “better” or “worse” one. Fortis is clearly on the right track, having identified that the solution will only come from leadership. Members of the HR Management Team appreciate that they have a long way to go on this cultural journey and that the roll out of the *fortiomas* and the L4G programme is only the first step. *“I think it’s a bit too ambitious to really have European people and not American people, thinking and feeling around 14 themes that a company communicates. Our ambition is to create a kind of common language, a common atmosphere, where it is easier for leaders and employees to build networks, to understand each other, to know we are Fortis. In the short term I would already be happy if we really create an easier environment to build networks, to understand each other more easily and break through the silos. The behavioural aspects are in my opinion the second stage. I don’t believe that a leadership programme or the *fortiomas* or whatever can change a company in such a short period of two years, but I do believe in planting seeds everywhere and planting them not in 250 people, not in eight hundred people, but in three thousand five hundred people, so we get to a critical mass of people who know the theme and understand why they are here”*. (Interview: Van Rompaey, 2006)

5.1 Has the introduction of *the fortiomas* had a positive effect on employee attitudes and behaviour?

The chorus of Fortis voices tells us that they are all aware of *the fortiomas* and have been introduced to them or will be introduced to them in action via the performance appraisal system this year. Only one individual had started to use them in his team to focus on specific attitudinal or behavioural issues, but having been introduced to *the fortiomas*, the majority of individuals spoke of using them as a “mental prompt” at one time or another to help guide a specific frame of mind or behaviour in their day to day work. *The fortiomas* were never going to represent a “cure” for some of the more negative attitudes, behaviours and values present within the Group, these “competing commitments” have been identified by Fortis employees and are highlighted in Appendix D, which shows where *the fortiomas* butt up against competing attitudinal and behavioural values in day to day life at Fortis. Encouragingly though, everyone interviewed agreed that *the fortiomas* were a good thing in principle and even the most cynical admitted to using them in meetings as a way of communicating (even if it is in jest from time to time). Examples of where *the fortiomas* are being used in cross border presentations and emails to help communicate in a common language were given by four interviewees. It does appear that people are slowly starting to use *the fortiomas* as a way to communicate key messages. Interviewees gave unswerving answers as to what they believe is really valued at Fortis. Fortis values-in-use have been identified as “**the customer**” (focus on client), “**profit**” (drive performance), “**results**” (deliver results), “**being positive**” (be positive) and “**diversity**” (encourage diversity). Performance is a clear thread running through these values.

The reality is that *the fortiomas* are being picked up and put down, used, discussed and dismissed at times in different manners across the organisation. Interview evidence reveals that some managers believe there is overkill on *the fortiomas*. This may seem negative but as pointed out by Pascale & Athos (1981, p.27) “*being discomforted is part of any learning process which can be quite marked when learning something new about ourselves*”. From a visual perspective *the fortiomas* are certainly visible in Fortis office space, practically every office and meeting room in all of the Fortis buildings visited displayed *fortioma* posters and many had *fortioma* desk toys somewhere close by. At a minimum, having these visual prompts on hand reminds employees of Fortis’ espoused values at times in their working day when they may be

looking for inspiration or guidance. They have the potential to play a more powerful role by disturbing the status quo and acting as a magnifier or mirror to “less effective” ways of thinking and behaving to help Fortis employees connect and engage with one another through real and convincing dialogue. *The fortiomas* will only ever achieve this role if attention is paid to the “competing commitments” or attitudinal barriers on display such as hierarchy, politics, indecisiveness, complacency and the tendency to use a local frame to make decisions rather than an international frame. More honest conversations need to be encouraged and had both vertically and horizontally across the organisation for employees to begin to lose their discomfort with change and begin to embrace change as an opportunity for learning and growth.

According to Ram Charan (Charan, 2001), high levels of “silent lies” which lead to false decisions are a direct result of decision makers being intimidated by the group dynamics of hierarchy and being constrained by formality and a lack of trust, *“lacking emotional commitment, the people who must carry out the plan don’t act decisively.....the inability to take decisive action is rooted in the corporate culture and seems to employees to be impervious to change”* (Charan, 2001, p145). Charan goes on to point out that *“the key word here is “seems”, because, in fact, leaders create a culture of indecisiveness, and leaders can break it”*. For Charan, the primary instrument at a leader’s disposal is his or her human interactions, the dialogues through which people challenge assumptions or let them go unchallenged, the way information is shared or not shared and how disagreements are brought to the surface or papered over. Drawing on a quarter of a century’s experience of observing organisational behaviour, Charan perceives that *“Dialogue is the basic unit of work in an organisation, it is the single most important factor underlying the productivity and growth of the knowledge worker. Indeed the tone and content of dialogue shapes people’s behaviours and beliefs – that is the corporate culture- faster and more permanently than any reward system, structural change or vision statement I’ve seen”* (Charan, 2001, p 146). This view is supported by Theodore Zeldin, a fellow of St Antony’s College, Oxford and member of the BBC Brains Trust who in a series of six “talks” broadcast on BBC Radio 4, focused on the topic of conversation *“good conversation has become a criterion of the quality of our private relationships; and now it is also taking a central place in our work..... It is time that in our work also we got rid of at least some of the barriers which prevent us from sharing the thoughts and language of other professions”*. (Zeldin, 1998, p53-60). Charan and Zeldin provide

clues for where Fortis should next focus its attention. Real open and honest conversations that deal with the competing commitments at times when *fortiomas* are butting up against one another are needed to help everyone learn and develop a shared culture within the Fortis Group.

5.1.1 Results of Wiener's value-system measurement process - an effective tool?

From the evidence given by interviewees and the values scorecard survey, one can conclude that *the fortiomas* are having a positive impact on some employee's attitudes at Fortis, but there is very little evidence to say that *the fortiomas* are actually having an effect on people's behaviour. The actual values-in-use (chosen as "most alive" in Fortis today using the values scorecard) have been identified as **"drive performance"**, **"deliver results"** and **"focus on the client"** and these were identified as values before the introduction of *the fortiomas* and the L4G programme. According to Wiener's values-system measurement process, the breadth of the intensity of *the fortiomas* as Fortis' value-system is weak, or only half as strong as it is hoped it will become. The measurement process outlined by Wiener was both useful in part and confusing in part. Steps 1 to 5 were easy to implement, the creation of a simple values scorecard allowed for a survey of which values are considered to be "most alive" day to day at Fortis, but as discussed in section 4.1.4 "the focus and source of the fortiomas" it was harder to implement steps 6 to 9 which involve classifying the focus of each value as either functional or elitist and the source of each value as either tradition or charismatic leaders. The system was difficult to implement predominantly because there are 14 very different *fortiomas* and to assess the focus and source of each value with each interviewee would have taken too long for this piece of research. The responses provided to the "catch-all" questions, tell us that overall, the values system at Fortis is more elitist than functional, but it is moving towards being more functional. From the small sample of interviewees who gave an opinion on the source of values, five out of five categorically see values as coming from charismatic leaders rather than tradition. This is not surprising given how young Fortis is as Group and the impact of Jean Paul Votron on the direction and motivation levels amongst Fortis employees.

Figure 8: The Fortis value system – using Wiener’s model

Focus of Values	Source and anchoring of values	
	Organisational Tradition	Charismatic Leadership
Functional	Functional Traditional	Functional Charismatic
Elitist	Elitist Traditional	Elitist Charismatic

↑ Fortis value system today

Using Wiener’s model, the value system within Fortis today can be classified as “**elitist charismatic**” moving to “**functional charismatic**” (see appendix A for definitions). The different examples given by interviewees of both functional and elitist attitudes and behaviours on display at Fortis tell us that Fortis is indeed in transition between the two. The elitist classification is supported by the examples of attitudinal barriers or “competing commitments” alive day to day at Fortis (see appendix D), they are elitist in nature. Wiener argues that elitist values are more likely to generate strong feelings such as pride and a focus on the individual and that in the long run, this may undermine the organisation’s integrity. Using Wiener’s definitions and assumptions behind the strength of particular value systems, Fortis current value system needs to shift away from elitist values towards functionalist values to improve effectiveness and generate sustainable performance.

Whilst at times the use of Wiener’s values system measurement process has felt a little fallible, the resultant classification does feel intuitively correct to this researcher. It feels like a truthful result. As for whether or not anyone else will agree that this is a truthful result, will depend on whether or not they have more of an absolutist¹⁵ or a relativist¹⁶ perspective. At this point, it should be acknowledged that if I had to give myself a label, the honest answer would be that “I’m still thinking about it”, which I guess in Blackburn’s words means that currently “*I locate myself as something like a relativist*” (Blackburn, 2006, p. xv), despite this, efforts have been made to develop reason and maintain objectivity. Conclusions have been drawn from talking to 25 Fortis employees over a six month period and experiencing first hand the L4G

¹⁵ “Absolutists” as defined by Blackburn: “absolutists stand on truth, they like plain, unvarnished objective fact and they like it open, transparent and unfiltered. As well as truth absolutists cherish reason, which allows for the identification and certification of truth and its handmaiden objectivity, which is the cardinal virtue of reason” (Blackburn, 2006, p xv)

¹⁶ “Relativist” – as defined by Blackburn “relativists see nothing anywhere that is plain and unvarnished, objective, open, transparent or unfiltered, they insist on the universal presence of happenstance. Nietzsche said “there are no facts, only interpretations” (Blackburn, 2006, p xv)

programme at Mello. They represent the collective feedback of these voices and therefore represent the “truth” as far as they represent what these Fortis employees are saying and my interpretation of the collective response. It is important to note that as recognised by Argyris & Schön (1974), what the voices espouse they believe may not actually be what they do believe and how they actually behave in real life situations. Argyris & Schön identified that human beings have “theories-in-use” that affect our behaviour, which most individuals appear to have learned through socialisation. *“Model I theory-in-use has four governing variables or values, for the actor to “satisfice” in interactions with others: (1) strive to be in unilateral control (2) minimize losing and maximise winning (3) minimize the expression of negative feelings and (4) be rational. Along with the governing variables, is a set of behavioural strategies such as (1) advocate your views without encouraging inquiry (hence, remain in unilateral control and hopefully win), and (2) unilaterally save face – your own and other people’s) hence, minimize upsetting others or making them defensive”*. (Argyris, 1994, p.26).

5.1.2 The limitations of this research

This research project covers only a small sample of interviews and minimal quantitative data, relative to the size of the workforce. As such, it is not possible to categorically prove that yes or no the introduction of *the fortiomas* has had a positive effect on all employee attitudes and behaviours at Fortis since their introduction in late 2005. Clearly a larger quantitative survey would provide a stronger quantifiable basis for answers, but ideally a larger ethnographic study would provide a more accurate picture across the Group and highlight gap areas. However, from a period of six months visiting several of Fortis European offices and meeting twenty five Fortis employees it is possible to intuitively form a view of how the “chorus of voices” extends across the Group. These voices are the voices of Fortis stakeholders.

Given the existence of “theories-in-use”, it is likely that in all of the interviews with Fortis employees there will be inconsistencies between what individuals said they value or think Fortis values and what they actually value, how they would actually behave in a particular situation and how things really are at Fortis. This fact is acknowledged as probable in some cases, but is an accepted limitation of this research and has been “lived with” for the purpose of this learning exercise. As discussed in

section 3.3 *Analysis Framework*, every effort was made to corroborate each response as much as possible, by asking for supporting examples and evidence from interviewees.

The identification of the challenges and problems at Fortis as wicked problems can be extended to the two research questions, in that they cannot be easily answered, the cause, explanation and apparent resolution of the questions do indeed depend upon the view point of the stakeholder. In answering the two questions, the collective and individual view points of 25 Fortis employees are taken as the valid benchmark.

5.2 Is the L4G programme an enabler for the adoption of *the fortiomas*?

Facing the challenge of breaking down some of the “stickier” attitudinal and behavioural habits requires leaders who can engender intellectual honesty and trust in the connections between people. Only by using each encounter with employees as an opportunity for honest and decisive dialogue will Fortis leaders “set the example” for the entire organisation and initiate a move away from more elitist to functional values and create a more “gelled” culture across the Group.

On subject of L4G, the “chorus of voices” from the interviewees corroborated the results of Fortis quantitative post-L4G survey, in that the general consensus amongst participants is that L4G is a good programme and on the whole, a great experience. The concept and metaphor of the “Fortis family” is clearly starting to be felt. Well over half of those who have attended said that L4G had exceeded their expectations, it had an influence on their behaviour in some way and they believed they were a better leader as a result of the programme. The 360° exercise is consistent with learning principles in that it can help shift a person’s personal frame and context and starts to introduce *the fortiomas* as the desired model for language and behaviour to those completing the exercise. The programme contributed greatly to learning and knowledge sharing amongst participants, many commented on the fact that it was a great networking experience and opportunity to learn about other businesses and *the fortiomas*. However, the evidence does support the argument that if the Executive Committee and HR Management want the creation of a shared culture to be taken seriously, the messages given at the end of L4G concerning “what to do next” need to be more explicit. Otherwise *the fortiomas* are in danger of remaining *espoused values* and never becoming alive within Fortis.

Certainly it can be seen from this research that levels of enthusiasm for *the fortiomas* become more jaded as the months after L4G pass. Face to face communication around their context and usage has been low. Results from the values scorecard survey show that “communicate the story” was the lowest scoring value amongst respondents and generally the criticism was directed upwards towards the next hierarchical layer above. Initially it is tempting to look up the hierarchy for the answer, and I do believe that despite the good reception of each ExCo member at each L4G programme, the Executive Committee and remaining large senior management population does need to lead people in conversation and open dialogue when values butt up against each other across the Group. This message was given as recently as 27 November by Jean Paul Votron, at the Senior Management Forum. According to M. De Boulle, M. Votron gave a clear message that he expected senior managers to communicate the story, lead by example and to start to work more with *the fortiomas* in their teams (Interview: De Boulle, 2006). It is time to start seeding conversations in other parts of the organisation. In the words of TJ and Sandar Larkin “*the only way to really affect behavioural change is to deliver communications through supervisors*” (Larkin & Larkin, 1994, p. ix). They believe that communication for change should not involve CEO speeches to all levels of employees and that videos, newsletters and notably middle management cascades are useless in affecting real behavioural change. Larkin & Larkin believe that “*the only way to really affect behavioural change is to deliver communications through supervisors and that if communication is not orientated towards its receivers or uses print or video instead of face to face it will not change the way people act. To assume that employees are more favourably impressed with the change if they hear it first from senior management is wrong*” (Larkin & Larkin, 1994, p. xii). This view is concurrent with the fact that in business today there exists a strong undercurrent of resentment, fear and mistrust among employees. Where this occurs at Fortis it seems to be as a result of the senior management redundancies at the end of 2005. The only way to overcome this is for communication to directly spread between people who trust each other. Ensure that each layer of management is communicated to by people who they trust and who understand the desires and interests of them as receivers.

The roll out of the L4G programme is a huge investment by Fortis in the development of its leadership and the programme is having a positive effect on people’s attitudes.

The consensus of opinion says that it is a great programme for the individual manager and it is encouraging that participants have improved their own self knowledge and knowledge of the strategy and business of Fortis. However, focus needs to be given to “what happens next” as the “Mello effect” does not seem to have emanated strongly past the participating manager to their teams between September 2005 and October 2006.

This is where the role of Jean Paul Votron and the Executive Committee is crucial in taking on the difficult conversations, as it is for all leaders across the Group. Their day to day behaviour and decisions and communications have a huge effect on the “value calls” made by subordinates and whether or not Fortis has the capacity to implement and execute its strategy. From discussions with M. De Boulle, Director of Organisational Learning at Fortis, they have already identified that more of the same won’t work. *“People should have a clear understanding of the ambitions for Fortis and that we are living in a changing world, we may currently be local but we need to be global, for that reason more of the same won’t work”* (Interview: De Boulle, 2006).

It can be concluded that the L4G programme does a great job at “setting the context” for change in the senior managers who have attended to date. It is useful in providing a grounding in many of the principles behind *“adaptive leadership”*, which is exactly the kind of leadership required at Fortis right now: *“adaptive leadership makes happen what isn’t going to happen otherwise”* (Pascale, Milleman, Gioja, 2000, p39).

According to Heifetz leadership is *“an activity to mobilize adaptation”* (Heifetz, 1996, p. 27) whereby adaptive work is made up of *“the learning to address conflicts in the values people hold or to diminish the gap between the values people stand for and the reality they face. Adaptive work requires a change in values, beliefs or behaviour”* (Heifetz, 1996, p.22). Just as clarifying a vision requires testing amongst peers, so values are shaped and refined by rubbing against real day to day issues, Heifetz sees this being at the heart of the adaptive work undertaken by leaders to create successful change and believes that *“the inclusion of competing value perspectives may be essential to adaptive success”* (Heifetz, 1996, p.23). The role of the fortioamas is to act as guides in helping leaders make the trade off decisions in line with Fortis declared strategy and desired culture.

5.2.1 L4G is providing the principles of adaptive leadership

In deciding to place leadership and values at the heart of its cultural change programme, Fortis has already identified that the behaviour and attitudes of its leaders is integral to future success. Jean Paul Votron and the Fortis HR Management team are aware that developing leaders is critical to the adaptive work of creating a “more gelled culture at Fortis” (Interview: De Boulle, 2006). According to Pascale, *“leaders are to a social system what a properly shaped lens is to light. They focus intention and do so for better or worse”* (Pascale, Milleman, Gioja, 2000, p.40). Fortis has recognised this by investing in leadership development and implementing the L4G programme. In *“Leadership without easy answers”* Heifetz makes a distinction between “technical” leadership and “adaptive” leadership. Technical leadership is appropriate in conditions of relative equilibrium and entails the exercise of authority. It concerns “doing more of what we already know works in a particular situation”, whereas as we have seen, adaptive leadership *“makes happen what isn’t going to happen otherwise”* (Pascale, Milleman, Gioja, 2000, p.39). In a much referred to Harvard Business Review article *“The work of leadership”*, Heifetz & Laurie offer six principles for leading adaptive work. Their perspective on leadership is useful when considering the “role” expected of Fortis leaders to successfully promote and engender cultural change. As such, examples of adaptive work being undertaken at Fortis either by the Executive team or through the roll out of the L4G programme are highlighted below along with any obvious gaps.

1. “getting on the balcony”

“business leaders have to be able to view patterns as if they were on a balcony. It does them no good to be swept up in the field of action. Leaders have to see a context for change or create one” (Heifetz & Laurie, 1997, pp.124-134)

- **At Fortis:** Two core elements of L4G encourage Fortis managers to “get on the balcony”. The message from Jean Paul Votron reminds managers of Fortis ambitions and the growth strategy. The use of the creative leadership development tool “the hero’s journey” encourages managers to see their individual business challenges in context of the overall Fortis journey. The future facts exercise provides the participants with ways to identify and process future trends and derive implications for their businesses.

2. identifying the adaptive challenge

“what is the nature of the threat? Is it a technical challenge or an adaptive challenge? Will basic routine suffice or will people need to learn new ways of doing business, develop new competencies and begin to work collectively? Whose values, beliefs attitudes or behaviours have to change for progress? What shifts in priorities resources, and power is necessary? What sacrifices need to be made by whom?”
(Heifetz & Laurie, 1997, pp.124-134)

- **At Fortis:** The message from Jean Paul Votron at the beginning of the L4G programme articulates Fortis growth strategy and does declare that people will need to learn new ways of behaving and doing business. *The fortiomas* have been identified as Fortis axioms and offer guidance on how to make the value decisions that come with the new challenge. However, from an analysis of the data accessible to this research project, it is not clear that Fortis or Jean Paul Votron have clearly articulated the “nature of the threat” as yet to Fortis employees. A comment from Fortis Group HR Director, M. Deboeck reinforces this view that for the time being, as a result of “over focus” on the threat in past years, the nature of the threat is being left out of the corporate message, *“ everybody was waiting here ok saying, “we are a target for ABN AMRO or BNP Paribas, it doesn’t make sense to invest in leadership, if we get taken over we would have to stop immediately they would want their own training”. Well if everybody in the company puts everything on hold, because you will be taken over, it’s very bad for an organisation and this is exactly what was happening. So this is something that we changed drastically, we stopped talking about mergers etc. we believe in our own strategies, we can do this. That was a very, very, very ambitious message and a very different message”* (Interview: Deboeck, 2006)

3. regulating distress

“first a leader must create a holding environment. which can be a temporary place that creates the opportunities for diverse groups to talk and debate challenges ahead.....second, a leader is responsible for direction, protection, orientation, managing conflict and shaping norms.....third, a leader must have presence and poise to hold steady in the tension and pressure, otherwise the pressure escapes and the stimulus for learning and change is lost” (Heifetz & Laurie, 1997, pp.124-134)

- **At Fortis:** At Mello during the L4G programme Fortis successfully creates a holding environment for managers to discuss and debate different aspects of the business. Furthermore the module on motivational states of mind, defence mechanisms and stress management, give managers some tools and techniques to help them hold steady when stress levels are high.

4. maintaining disciplined attention

“managers frequently avoid paying attention to issues that disturb them. They restore equilibrium quickly, often with work avoidance manoeuvres. A leader must get employees to confront trade-offs in values, procedures, operating styles and power...because work avoidance is rampant in organisations, a leader has to counteract distractions that prevent people from dealing with adaptive issues. Scapegoating, denial, focusing only on today’s technical issues etc.” (Heifetz & Laurie, 1997, pp.124-134)

- **At Fortis:** From analysis of the data available to this research project, maintaining disciplined attention to the adaptive challenge is one of the biggest challenges at Fortis and as yet does not seem to have been achieved. From the qualitative interview data obtained, there are many examples of where a technical issue is taking precedence over the more adaptive challenges around cultural change and behaving in accordance with *the fortiomas*. The fact that “technical distraction” most cited as being a distraction from behaving in accordance with *the fortiomas* was “the pressure to deliver results”, which in itself is a *fortioma*, reveals a conflict for Fortis managers, a “*hidden competing commitment*” (Kegan & Lahey, 2001) which stalls efforts to change. Despite the fact that the Fortis Executive and HR Management have to date declined to give *the fortiomas* a weighting, it is the view of this researcher that it is necessary for the Executive and the Senior HR team to debate this issue and form their own conclusions as to where they want to make the “value calls” and in which situations results may be sacrificed over another *fortioma*. It may well be that this community concludes that “results” are never sacrificed over another *fortioma*, but this is unlikely and not the message given to shareholders to date. The shareholder brochure *Discover Fortis* handed out at the last Fortis General Meeting of Shareholders (Fortis 31 May 2006) talks of achieving sustainable growth “*Fortis wants to grow but only in a responsible manner and taking into account the interests of its stakeholders...to achieve sustainable growth, Fortis has to be able to rely on competent and motivated employees who are passionate about their work...employees receive all the*

*information they need so they know what is expected of them and are rewarded according to their performance” (Fortis, Discover Fortis, 2006). Evidence from the qualitative interviews, points to the strong hierarchical influence, which was clearly identified as a barrier to living *the fortiomias* amongst employees, as well as the tendency for Fortis staff to be complacent (see appendix D). This again suggests the very senior leaders at Fortis do need to give direction around competing value calls and “Set the example” by communicating, behaving and making decisions in accordance with that message.*

5. giving the work back to the people

“all too often people look up the chain of command, expecting senior managers to meet market challenges for which they themselves are responsible. People tend to become passive, and senior managers who pride themselves on being problem solvers take decisive action...Letting people take the initiative in defining and solving problems means that management needs to learn to support rather than control. Workers for their part, need to learn to take responsibility” (Heifetz & Laurie, 1997, pp.124-134)

- At Fortis: At the core of the L4G programme is the call for managers to take on board renewed leadership skills, supported by tools and techniques presented at L4G and *the fortiomias* to help them take the initiative in leading their teams to deliver Fortis’ growth strategy. This is another area however that does seem to need attention outside of the Mello environment. From the qualitative evidence the strong sense of hierarchy and the status as senior leaders as decision makers is a “competing commitment” for managers lower down the hierarchy and does lead to passivity amongst some staff, as well as being a barrier to entrepreneurship and show courage.

6. protecting voices of leadership from below

“giving a voice to the people is the foundation of an organisation that is willing to experiment and learn. But in fact whistle-blowers, creative deviants and other such original voices routinely get smashed and silenced in organisational life” (Heifetz & Laurie, 1997, pp.124-134)

- At Fortis:

It could be said that through *the fortiomias* “show courage” “stimulate entrepreneurship” and “communicate the story”, Fortis is encouraging employees to speak up and take initiative but in reality this is an area that needs attention. *The*

fortiomas are espoused values and it seems that in the real day to day working environment, some people are afraid to speak up for fear of losing their job, this is a barrier to living *the fortiomas* “*the fear of losing one’s job is a barrier, if, well there are boundaries you cant cross, even when you may be right, which is something that used to make me very angry years ago. At the Group level decisions are made at the top and everyone looks up, it impacts entrepreneurship 100%*” (Merchant Banking employee, New York, 2006). Clearly if people are scared to lose their jobs for speaking up, Fortis has yet to communicate effectively through the behaviour of their senior leaders that “original voices” and “whistle blowers” as they are described by Heifetz, are encouraged and employees will not be “punished” for speaking up. Whilst this is only one quote, this was not the only interview in which I received the impression that communication at Fortis is hampered through either fear or complacency or lack of passion and people often behave as if “it’s someone else’s problem”. One manager in London described the problem in terms of lack of passion, rather than fear, but still related it to the sense of hierarchy “*you get wallflower syndrome, and you just know that, not only do they have something to say, but they actually have something valuable to say (there’s a difference). You see it time and time again that there are people who could contribute a lot more but it’s almost like they feel that they’re not allowed to go any further, its almost like a hierarchical thing*” (Private & Commercial Banking employee, London, 2006).

Fortis has begun to do some adaptive work with its managers via the L4G programme, knowing instinctively that this is the right way to proceed. For now, Jean Paul Votron has inclined to maintain an ambitious message and a spirit of “we can do this”, an insight revealed by Jim Collins as one of the 6 key factors on display in “Good to Great” organisations “*confront the brutal facts but never lose faith*” (Collins, 2001, p. 13). From the data available, Jean Paul Votron does not appear to be “articulating the threat” formally in wide circles, which is one of the principles of adaptive leadership outlined by Heifetz. Should this change, rather than engender fear in employees and risk further complacency, perhaps in communications to staff, the “threat” could take on a less sinister tone and purely reflect “what will happen if Fortis does not become one of the top 5 Financial Services Groups in Europe”, which would paint a less appealing prospect to employees for the future.

5.3 Is it all about the prince? – the role of Jean-Paul Votron

M. Jean Paul Votron has had an impressive international career to date, predominantly outside of his home country Belgium. When he took over as Fortis CEO in 2004 he came from heading up Citibank's Retail Operations in Europe, Russia and the Middle East. Known for having an "American-style" appetite for work, according to press articles and employee comments, he is an extremely driven and hard working individual. As previously stated, M. Votron has set ambitious growth targets for Fortis that would see profits outside the Benelux countries rise from 14 to 30 per cent a year by 2009. The opportunity did not arise to meet M. Votron, nor spend anytime observing his interactions with Fortis employees and therefore we are reliant on the views of Fortis employees, press articles and articles written for the internal newsletter, *The Fortis Tribune*. In an article in the "Business Life" section of *The Financial Times* entitled "the man rousing Belgium's sleeping beauty", Sarah Laitner and Peter Thal Larsen describe how M. Votron has set about breaking down the barriers between the group's semi-autonomous divisions since his arrival and introduced a more matrix-style organizational structure (Laitner & Larsen, *The Financial Times*, Feb 1 2006, p.13). As discussed in section 1.4.1, "Fortis background", the most recent change in structure has been the amalgamation of six major business units: Retail Banking, Merchant Banking, Commercial & Private Banking, Insurance Belgium, Insurance Netherlands and Insurance International into three: Retail Banking, Merchant, Corporate & Private Banking (previously referred to as Wholesale Banking) and Insurance in a further attempt to integrate the business silos. Announcements last year (both internally and externally) that Fortis was "upgrading the quality of management" and the ensuing redundancies, sent a clear message to staff, they'd better "shape up or ship out". Whilst M. Votron is quoted as admiring leaders such as Jack Welch, he assures that he is not attempting to impose an Anglo-Saxon management style on a European bank, the introduction of the Leadership for Growth programme and *the fortio*mas are "necessary for any big company to align the whole business" (Votron quoted by Laitner & Larsen, *The Financial Times*, Feb 1 2006, p.13).

Using the different definitions offered by Grint, Votron is a position based leader at Fortis, with parallel structures of power and responsibility over large networks of people who look up to him. If one agrees, as Grint does, that leadership is a result of the followers relationship to and with the leader, then Votron's influential leadership reflects both the level of trust Fortis employees have placed in his vision and plan for Fortis future and the leadership paradigm which they operate under. The strong sense of hierarchy identified at Fortis can be linked to the identification by Hofstede that Belgium has a "high power-distance" national culture. It is highly likely that Votron's followers are merely "doing what they are told", for fear of losing their jobs, "*I think it takes courage to challenge colleagues and superiors, to say no when everyone wants you to say yes*" (Risk Management employee, Luxembourg, 2006). Especially in light of the spate of redundancies that have been initiated over the last 12 months by Votron. Without re-stating them here, there are several quotes from employees throughout this dissertation, the appendices and the case study database that highlight the big impact Jean Paul Votron has had on "the way things work around here". The growth strategy has turned the company 180 degrees and motivated large numbers of staff to "go the extra mile", "drive performance" and "deliver results".

Whilst it is clear from the research data that a "strong sense of hierarchy" is felt amongst employees at Fortis, further investigation is required to establish whether or not M. Votron is encouraging new behaviours amongst the Executive Committee and other very senior managers in relinquishing some of the old-style command and control type leadership. The recent re-structure is an example of where he has given certain senior executives more responsibility for larger business areas, in an attempt to further break down individual silos, but it unknown whether or not he is actually affecting the behaviour of senior executives and encouraging them to review their personal leadership styles. Charles Hampden-Turner states that "*the higher people are in an organisation, the more they experience it as flat. In all probability this is because differences at the top have to be negotiated. A major irony of organisations is that the more formal authority people have, the less they can use it simply to get their way*" (Hampden Turner, 1990, p.40). At this moment in time the Executive Committee and HR Management see the L4G programme as the leadership development programme that is going to reshape and renew leadership and the culture at Fortis. As shown in section 5.2, the L4G effect on senior executives at Fortis seems to have "worn off" during the period between November 2005 and October 2006,

certainly we know that few of them communicated about L4G or *the fortiomas* when they returned. What is really having an effect on their behaviour, is the performance and growth culture being engendered by M. Votron and it is having a positive effect that is motivating businesses across the Group, *“Passion is alive with key players, those who are decision makers. They are results driven and have heavy workloads, but their passion is so positive that everyone is motivated more to deliver”* (Risk Management employee, Luxembourg, 2006). According to Nick Van Heck, the performance orientation is becoming more tangible through L4G, several participants have commented on how L4G connects the dots for them around the overall Fortis journey.

Described as an “authentic charismatic leader” by M. De Boule, M. Votron is certainly driving change through at Fortis and inspiring people. Michael Maccoby wrote in a McKinsey award-winning article for *The Harvard Business Review* that *“there’s something new and daring about the CEO’s who are transforming today’s industries”* He describes CEOs such as Bill Gates, Andy Grove, Steve Jobs and Jack Welch as *“superstars who hire their own publicists, write books and actively promote their own personal philosophies”* (Maccoby, 2000). Maccoby believes that larger-than-life leaders closely resemble the personality type that Sigmund Freud dubbed “narcissistic”, people who *“are especially suited to act as a support for others, to take on the role of leaders, and to give a fresh stimulus to cultural development or damage the established state of affairs”* (Freud, cited by Maccoby, 2000). Narcissists are independent innovators, driven in business to gain power and glory, not easily impressed, they want to be admired. Maccoby recognises that there are both negative and positive sides to narcissism, leaders such as Jack Welch or George Soros are productive narcissists, leaders with compelling visions for companies and the ability to attract followers *“gifted and creative strategists who see the big picture and find meaning in the risky propositions of changing the world and leaving behind a legacy”* (Maccoby, 2000). Narcissists however can turn unproductive when, lacking self-knowledge and restraining anchors, they become unrealistic dreamers. It is this tendency toward grandiosity and mistrust which is the Achilles’ heel of narcissism. According to Maccoby narcissists don’t learn easily from others, they don’t like to teach but prefer to indoctrinate and make speeches. They dominate meetings with subordinates and tend to create a competitive environment around them at times when everyone is already under a lot of pressure. They are extremely sensitive to criticism,

are uncomfortable with their own feelings and other people's (especially negative feelings). Maccoby states that the best way for narcissists to avoid the traps of their own personality (and few of them are interested in looking inward) is to i) find a trusted sidekick, ii) indoctrinate the organisation (or convert other people to their point of view) and iii) get into analysis. In discussing "indoctrinating the organisation", Maccoby refers to Jack Welch who "*was able to transform his industry by focussing on execution, pushing companies to the limits of quality and efficiency, bumping up revenues and wringing out costs by hammering out a corporate culture in his own image – a culture that provides impressive rewards for senior managers and shareholders*" (Maccoby, 2000). He disagrees with Noel Tichy that Welch formed his company culture through "teaching", stating that "rather than create a dialogue, Welch makes pronouncements (either be the number one or two company in your market or get out). Maccoby criticises Welch for "brainwashing" his organisation and at the same time admires him for having the rare insight and know-how to achieve what all narcissistic business leaders are trying to do, namely get the organisation to identify with them and think the way they do.

It seems inappropriate to come to conclusions on an individual's character without primary evidence, however the secondary evidence coming from qualitative interviews suggests that Jean Paul Votron has immense drive, ambition and a very clear idea about how Fortis employees need to behave in order to achieve his vision of "becoming one of the top 5 Financial Services Institutions in Europe, all "narcissistic" traits as described by Maccoby. His invitation to employees to attend the L4G programme clearly shows that Fortis is "investing in its people", but it comes across as half an invitation and half a demand for the Fortis leaders of the future to "*reflect on his or her personal leadership style and revitalise in order to engage more powerfully with our transformation plans*" (Votron, Fortis, L4G Travel Pack, 2006). In itself this statement is not threatening, but coupled with redundancies and statements in the press about "upgrading the quality of management", employees who want a future career at Fortis could see the "invitation" as Hobson's choice¹⁷.

Maccoby states that narcissists thrive in chaotic times and those who can work on themselves, who can be self-reflective, open, likeable and good humoured are likely to

¹⁷ Hobson's choice – Oxford English Dictionary definition: a situation in which there is no alternative to the thing offered. Thomas Hobson (17th century) hired out horses and made people take the one nearest to the stable door

be productive. Jean Paul Votron is certainly leading Fortis to deliver results in chaotic times and as discussed in section 5.2.1, the combined effect of his leadership and the L4G programme is providing strong leadership and support in alignment with “*adaptive methods*” (which in the view of this researcher is what is required at this time in Fortis). The commercial landscape, external threats and high risk nature of the growth strategy are not missed by employees, stress levels are high and trade offs have to be made, currently value trade offs are made in alignment with Fortis’ core values “drive performance”, “deliver results” and “focus on the client” that have been clearly articulated by Jean Paul Votron. As poignantly pointed out by a Fortis employee “*lets not kid ourselves, profit is still king. Votron has to answer to the analysts at the end of the day and I don’t think he would be prepared to take two or three years and say “we’re meeting the fortiommas” because he’d be crucified by the analysts, the same way I’d be crucified by my boss if I said “I’ve had a great fortioma year but I didn’t meet budget”*” (Merchant Banking employee, Asia, 2006).

To continue to build on the effect of L4G and to help his leaders maintain disciplined attention towards developing a “shared” culture at Fortis, Votron’s challenge is to lead some real open and honest conversations, starting in the Executive Committee, which deal with the competing value commitments within the Group.

5.4 Does Hofstede predict accurately?

In Chapter two, the work of Hofstede was put forward as a potential source of context and explanation behind certain patterns of personal and managerial behaviour amongst the different nationality groups at Fortis. Throughout the field research, whilst visiting different country offices, the Hofstede study came to mind. And whilst undoubtedly, this researcher was subconsciously carrying a few “national stereotypes” in her head that affected her personal frame, the Hofstede work generally only came forefront of mind when an individual of a particular nationality displayed or referred to a trait identified by Hofstede’s study. This happened on several occasions.

As expected, Hofstede’s work predicts some but not all of the attitudinal traits present in responses from interviewees of particular nationalities. The Anglo-American frame of “high achievement orientation” is well understood and alive in Fortis today, it dominates in many ways the “business frame” of every employee. As this research has

identified the values most alive within Fortis today are “drive performance”, “deliver results” and “focus on the client”, they are held as the model of success. Given this context and frame, it seems to this researcher that the Hofstede study does not do well at predicting “what has been achieved despite” certain national behavioural tendencies. Let us not forget that the Fortis employees are performing well against their own value set, it would seem. The share price has risen by nearly 50 per cent since M. Votron took over and Q3 results of this year declared a 19% growth in net profit over the first nine months of 2006. Given the “success frame” described above, the Hofstede study seems to predict the attitudinal traits being held up as barriers to achieving the remaining 11 *fortiomas* that have not been identified as values-in-use at Fortis and yet are the building blocks of the performance driven values already held in high esteem.

5.4.1 Hofstede helps identify barriers to *the fortiomas* but does not wholly predict the positive and negative behavioural traits of Fortis employees

Hofstede’s cultural descriptions describe the overall scores of a national clustering study, referring to the tendencies of an overall population. This does not mean that each individual from each national culture displays all of the characteristics identified. It would be incorrect and unfair to say that the stereotypes applied in all cases and that all the British interviewees are go-getting achievers who throw caution to the wind, or that all the Dutch are more concerned with the Group success rather than their own, or that the Belgian’s are all risk-averse and only concerned with their own individual status.

The Hofstede study does predict some of the barriers cited as “barriers to living *the fortiomas* today in Fortis” and identify them as being associated with particular national cultures. For example several interview respondents highlighted the Belgians’ capacity for political behaviour and valuing esteem. One Dutch interviewee described his interpretation of reality, including a picture of his own subconscious stereotypes, “*so many Dutch managers leaving our company because they do not .. probably they are not able to handle the politics around the shift and I don’t know if Belgium managers are more capable of handling the politics or whatsoever, but the fact is that a lot of Dutch managers have left the company and I don’t know what the exact reason is for that, but it has to do with culture I think, or it has to do with politics or power*” (Retail Banking employee, Utrecht, 2006). A New York based employee

gave a very strong view that the Belgian focus is more on the individual and that this is a barrier to a customer focus *“In Brussels the focus is more on the individual and their vocation, the individual and their lifestyle, the individual and their position in the hierarchy, it depends on where you are in the hierarchy, I would say your focus as an individual may be different, but it's still the individual. While in the US, I would not say that. The focus is customer, and team, just to give you an example, while I was in Mello and I was doing some work and I got comments from people “why did they even send you here? You can't stop working”. Well, that particular person came out of a completely different business line in Belgium, more of a support function. So that's the mindset! That person did not understand that if I did not do it, that we wouldn't get a deal approved and the money wouldn't come in”* (Merchant Banking employee, New York, 2006).

It is not considered particularly useful to use Hofstede's study to accurately predict the positive and negative reactions of individuals of particular nationalities. Examples were also given in interviews that did not align to Hofstede's cultural predictions, such as this comment by a British employee *“you get wallflower syndrome, and you just know that, not only do they have something to say, but they actually have something valuable to say (there's a difference). You see it time and time again that there are people who could contribute a lot more but it's almost like they feel that they're not allowed to go any further, it's almost like a hierarchical thing”* (Private & Commercial Banking employee, London, 2006). This is a perfect example of where Hofstede alone cannot predict a person's attitudinal or behavioural traits. As previously acknowledged, all human beings belong to many different groups that influence their values, beliefs and behaviours. What Hofstede's general national cultural predictions do not allow for here in this description of fellow Brits, is the strong influence of the industry culture. A conservative “traditional banking culture” is also having an effect on the “actors” being described above as “wallflowers”, they are far removed from the entrepreneurial spirits conjured up by Hofstede's identification of the British as having low uncertainty avoidance and high masculinity traits. The following quote is a further example of where the industry culture appears to be prevailing over the national culture and acting as a barrier to entrepreneurship (British banking conservatism prevailing over British entrepreneurial spirit) *“Entrepreneurship people find much more difficult, they automatically assume it's going to be sales related, we are just part of the support teams, it's probably the more senior people that*

feel they can influence and change and sell a change of direction. Certainly for junior members of staff, they are much more procedural driven, so they see a focus on their work and “this is my job” so to think more creatively isn’t a natural culture, certainly not for junior bankers” (Private & Commercial Banking employee, London, 2006).

National culture is clearly not the only influence on employee behaviour and as such is not wholly useful at predicting the attitudes and behaviours of Fortis employees in response to *the fortiomias* and the creation of a shared culture at Fortis. Different cultural traits influence individuals at different times and do not always prevail over other cultural influences on attitudes and behaviour. As well as the examples given from London above, the fact that a Belgian led organisation has embraced so well a spirit of growth and performance flies in the face of its strong uncertainty-avoidance prediction that employees will be most concerned with security and esteem to the detriment of entrepreneurial spirit (although at the individual level there is an internal struggle for the more risk averse individuals).

What Hofstede’s cultural study gives us is a useful “reminder” of the potential pitfalls and destructive attitudes and behaviours that are barriers to Fortis employees living *the fortiomias* in certain areas of the Group. His work also provides Fortis with a referenced categorization of different national traits to attempt to call upon and leverage when needed, providing greater competitive advantage through diversity at the local level. Learning to communicate, teach, share and learn from one another through adapting will be crucial to tapping into the “added value” that such diversity provides. We are reminded by Hofstede that “*changing collective values of adult people in an intended direction is extremely difficult, if not impossible. Values do change, but not according to someone’s master plan. Collective practices, however can be influenced in more or less predictable ways by changing organisational characteristics such as structures and systems*” (Hofstede, 2003, p. 199). In line with the principles of *adaptive leadership*, it is suggested here, that Hofstede’s “organisational characteristics” extend to processes, the quality of conversations and who is having those conversations.

5.5 This is not just culture, this is “M&A” culture..

To script the title of this section in the vein of such a powerful British retailing strap line is an attempt to compensate somewhat for the lack of consideration given by this research to the academic literature and findings in the field of Mergers and Acquisitions (M&A). The scope of this research has been wide by the very nature that it considered two questions and that Fortis is a multi-national Group of a vast range of Financial Services companies, as such it has not covered the field of M&A. It cannot have missed the attention of any reader that Fortis history is a series of mergers and acquisitions. Here Hofstede offers some basic wisdom on the cultural consequences of foreign takeovers: *“foreign takeovers are a fast way of expanding, but their cultural risk is enormous. To use an analogy from family life, foreign takeovers are to “greenfield sites” as the bringing up of a foster child, adopted at puberty, is to bringing up one’s own child”*. He is even less optimistic for the cultural health of international mergers *“the cultural risk is the same as in the case of the foreign takeover, but the possibility of resolving cultural problems by a one-sided show of power no longer exists. International mergers therefore have an abysmally low success rate, probably not more than 25 per cent”* (Hofstede, 2003, p.227). The Executive and HR Management teams at Fortis know they have no choice but to take on the adaptive challenge of creating a more shared culture at Fortis and they have started their cultural change programme by targeting leaders and giving them a set of axioms to, in the first instance, allow them to start identifying more with each other through the basis of a common language. The two high profile cases of where international mergers have been successful are Shell and Unilever, both British, Dutch. Hofstede points out they have a few common characteristics: *“two head offices have been maintained so as to avoid the impression that the corporation is run from one of the two countries; there has been strong and charismatic leadership during the integration phase; there has been an external threat which kept the partners together for survival; and governments have kept out of the business”* (Hofstede, 2003, p.228). By comparison, at this moment Fortis has two head offices, a strong charismatic leader and is staying together as a Group for survival. It is not formally articulating a threat to stakeholders at this stage, but is articulating a strong vision and is able to run without government interference (financial services industry regulations aside).

5.6 Next steps

If it hasn't happened already, Fortis should start to extend the messages from L4G outside of Mello and enter into its own debate about leadership, define exactly what it believes leadership is at Fortis and how that relates to formal positions, power and responsibility within the organisation. Indeed this could be worked into a module for the L4G programme or a follow-up programme for executives in their business teams. This would help Fortis employees understand and navigate the competing commitments present in organisational life and give *the fortiomas* and L4G a better chance of "taking hold". Following on from Grint's definition of leadership as "position", "*If organizational leaders assume that leadership is primarily about "the position" and only people in formal positions of power are recognized as leaders, then those without formal positions may well be discouraged from taking actions that are vital for organizational success but deemed by the formal leaders to be irrelevant*" (Grint, 2005, p.31) therefore behaving in line with *the fortiomas* "stimulate entrepreneurship" and "show courage" may be steps that non-formal leaders at Fortis will not take. The evidence from the qualitative interviews shows that whilst a new definition of leadership is being encouraged via the L4G programme, it butts up against the day to day reality of "positional leadership" through hierarchy, power and status. This is basic assumption at Fortis which permeates the culture and the resultant attitudes amongst managers are barriers to living several of *the fortiomas* (see appendix D).

Fortis has chosen its own model for supporting its people to deliver cultural change and become a "great" company. This instinctively feels right and is in alignment with Heifetz's principle no. 5 of adaptive leadership, "*give the work back to the people*". It is the view of this researcher that (if it has not been already) the "cultural change programme" at Fortis needs to be given formal recognition as a Group programme and Key Performance Indicators (KPIs). This will help de-mystify the progress being made against cultural goals and raise its profile amongst leaders and ensure its position on senior agendas. The next step is to extend the message from leaders and managers, to involve employees who have not been to L4G in conversations about values and leadership.

Conversations with M. De Boule identify that follow up initiatives to L4G are already in the pipeline. Initiatives planned will cover three areas:

1. Individual coaching / personal training
2. Diagnostic model based on the language of *the fortiomas* to review the functioning of teams
 - a. Can be used after L4G with teams
 - b. Can be used by teams who haven't attended L4G to analyse the strengths and weaknesses in the team
3. Business level initiatives organised in conjunction with business leaders (e.g. strategy workshops, team building exercises).

This research has identified 4 key axes of focus for Fortis' cultural change programme that could be integrated into initiatives already planned:

1. Take steps to tackle the "silo" mentality through the culture programme and the organisation's structure. Continue the conversations on structure and which kind of structure optimises value across the Group in each business area (is it at the country level, product level or functional level?) What kind of balance is required moving forward?
2. Take steps to tackle "hierarchy paralysis" where found. Encourage conversations about culture and leadership amongst the Executive Committee and other senior business leaders, along with the use of *the fortioma* toolkits as backup material. Senior leaders need to dust off the L4G material and re-think the traditional "command and control" view of leadership.
 - a. Start to "articulate the threat" and have the honest conversations about competing value commitments, which will help Fortis' Executive Committee and senior business leaders to lead by example
3. Begin to analyse, measure and report on the real values-in-use across each business in the Group, through qualitative and quantitative means.
 - a. This could be integrated into the "diagnostic models" already in development within HR
 - b. Make cultural change a job. Other organisations¹⁸ have taken the step to create a role within HR, Training or the Business that gets involved

¹⁸ This step was taken by Alberto Culver North America to aid their cultural change programme. They created the role of "growth development leader" that President Carol Lavin Bernick credits as "*the one move above anything else that contributed to the success*" of their cultural makeover in the late 1990s (Lavin Bernick, 2001, p.142).

in the careers and lives of employees, facilitating team sessions and coaching individuals on behaviour. These individuals would have to work closely with business teams, gaining and maintaining trust levels will be crucial.

4. Increase efforts to communicate passionately about the cultural change programme across the Group
 - a. Continue to communicate the growth vision as a message for employees to rally around as the context for cultural change
 - b. Encourage those leaders who have already started to cascade the L4G messages and *fortiomas* with their teams to engage with other leaders and ensure good examples are communicated via traditional means such as *The Fortis Tribune* and the intranet.

Consistency in communication, behaviour and policy setting is required to help “set the example” at the highest levels, as this will help engender trust, which needs urgent attention. The stakes are high. In *Images of Organisation* Gareth Morgan points out that seventy per cent of firms that introduce new cultural values are unsuccessful, largely because they fail to replace the bureaucratic logic governing the old mode of operation. “*Despite all the money and effort that was spent, they failed to dent the dominant culture and the political dynamic that often supports it... To be effective they needed to transform prevailing organisational mindsets and political patterns. But in the majority of cases they failed to do so*” (Morgan, 1998, p.136). Morgan’s views support those of Edgar Schein, who as previously stated, believes that cultures form when beliefs become non-negotiable assumptions, i.e. they turn into the prevailing organisational mindset and political patterns “*a non negotiable assumption is something that has been taken for granted and that the group is no longer arguing about*” (Schein, 2004, p.16).

In an interview for *The Financial Times*, Sir John Bond, Chairman of Vodafone and Ex-Chairman of HSBC commented on his 45 year career at HSBC and supported the “home grown” leadership approach when he said “*leadership comes in different shapes and sizes, its hard to do it by imitation – you have to do it your own way. Organisations and individuals should try to tread the path that hasn’t been trod*” (“Business Life”, *The Financial Times*, April 10 2006). This research and dissertation

aims to offer a comprehensive picture of the cultural change journey at Fortis and how the organisation has been shaped by different national cultures and a series of discontinuous change over the last fifteen years. Insights into the cultural change programme, the role of Jean Paul Votron and the new vision seek to demonstrate how, as in all good hero's journey's, Fortis is indeed treading its own path.

6.0 Afterword

This research and dissertation represents the culmination of a year long investigation into the subject of values and their role in organisational change. The Consulting & Coaching for Change programme has given me a good grounding in the topics of change management, organisational learning, leadership, change as a social challenge (which covered the concepts of adaptive work) and organisational culture. However the most fascinating area of personal discovery was our foray into psychodynamics of change and the principles behind how human beings naturally develop their values and learn defensive routines to avoid threat, pain and embarrassment. These extend into organisational life and act as barriers to learning and change amongst employees. This learning allowed new perspectives around “the individual’s” personal values, where they come from and the ethics behind whether or not these values can be changed or even should be changed.

I consider myself very lucky to have found such a fabulous case study in Fortis, which has helped put some of the theories and models into action. It is hoped that this piece of work will be useful for the HR Management team to have an external perspective on Fortis’ culture and a piece of analysis that provides recommendations for future initiatives that will help maintain momentum behind their cultural change.

Given my personal role as the researcher and author of this case study into the values and culture shared by Fortis employees, it is worth articulating a few of my own values and how they have influenced my attitudes and behaviour throughout my life and career to date. Undoubtedly they will have shaped my personal frame whilst undertaking this project. In short, I believe that the values which most affect my attitudes and behaviour towards the work I undertake are: hard work and striving to “do one’s best”; respect for other people’s hard work, opinions and contributions to the effort; communication and the sharing of knowledge and information; travelling and experiencing new business and national cultures; imagination and autonomy; having trust in one’s friends and colleagues and valuing success by what I have to give up in order to achieve it.

Despite the fact that the literature review found fewer publications on the subject of values than culture, it seems that the topic of values is becoming the subject of wider discussion across Europe in recent months. Surprisingly, the regular “Charlemagne” posting on Europe in *The Economist* discussed this point as recently as 9 December 2006, under the title “A European values debate – why is Europe suddenly full of people talking about values and virtue?” (*The Economist*, pp.46). *The Economist* draws two conclusions, firstly that in politics the discussions on values are skin deep. Politicians such as Ségolène Royal, Nicolas Sarkozy and Jan Peter Balkenende are using values and morality as electoral tactics to distinguish themselves from rivals and win votes when “economic reform” is a vote loser. Secondly, the column identifies that amongst the relatively secular European population (compared to the U.S.) Europeans are becoming more concerned about the impact of the decline of marriage, the breakdown of the family and immigration on what it means to be a decent, tolerant society. This I feel is a result of the discontinuous change modern society is experiencing and takes us full circle, back to some of the issues discussed in chapter 1, “why is culture a hot topic today?”

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9.0 Appendices

Appendix A: A Typology of Values Systems (Wiener, 1988)

A classification of types of value systems based on focus and source of values

Focus of Values	Source and anchoring of values		
		Organisational Tradition	Charismatic Leadership
	Functional	Functional Traditional	Functional Charismatic
Elitist	Elitist Traditional	Elitist Charismatic	

Source: Yoash Wiener (1988)

The Functional – Traditional type

These are most likely to contribute to the development of proper values and consequently to organisational effectiveness. As suggested by Hayes (1985) this type of value system is likely to encourage the two elements necessary for the effective setting of corporate goals and policies and strategies: i) a broad organisational participation imbedded in the realities of day to day business conduct, rather than a ritualistic top-down approach, ii) patient, hard to copy, step by step changes and improvements, rather than grandiose, flamboyant or trendy strategic leaps.

The Elitist – Charismatic type

Such describes the value system least likely to result in long term organisational success. Further, the combined effect of these two dimensions is likely to produce organisational dynamics that are highly susceptible to group-think, with the illusion of invulnerability, self-righteousness and stereotyping (Janis 1972). Insular focus and depreciation of outsiders also are likely to emerge.

The Functional – Charismatic type

This tends to be a transitional phase, ultimately evolving towards a functional-traditional one. This is consistent with the character of charismatic value systems

The Elitist – Traditional type This value system sustains a stable, long term elitist dimension. When organisations perpetuate an elitist, club-like value system they do so to serve specific organisational purposes, such as satisfying the needs of customers.

Wiener concludes that functional values are more likely to be constructive values. They constitute explicit guides for members' behaviour and are likely to elicit rational behaviours because of the strong emphasis of the means to achieve goals, whereas elitist values concern

the status, superiority and importance of the organisation itself, its products and its members, particularly in relation to other institutions and society at large. It is argued that elitist values are more likely to generate strong feelings such as pride, towards the organisation. An emphasis on organisational primacy, in the long run, may undermine the organisation's integrity. When values are rooted in tradition, the same or similar values are transmitted from one generation of organisation members to the next. Such values are relatively independent of the potential influence of individuals or situations. Values rooted in tradition are, by definition, time tested and more likely to lend stability and predictability to organisational functionality.

Appendix B: Table 3: Interview participants

25 interviews were undertaken between March 2006 and October 2006, of which 24 are referenced in this dissertation (one interview recording spoiled).

Interviews with HR Management team

- M. Deboeck, Chief HR Officer, *Interview with D Jones Sept 2006*
- J. De Boule, Director of Organisational Learning, *Interviews with D Jones March, May and Sept 2006 (count as one)*
- J. Truyens, HR – Europe & Rest of World Co ordinator, *Interview with D Jones, Sept 2006*
- B. Van Rompaey, HR Director- Finance & Planning, *Interview with D Jones, Sept 2006*
- P. Vervickt, HR Director -Horizontal Functions, *Interview with D Jones, Sept 2006*

Interviews with ELP consultants

N. Van Heck, Partner, Executive Learning Partnership, *Interview with D Jones, Sept 2006*

K. Gruneweld, Programme Director, Executive Learning Partnership, *Interview with D Jones, June 2006*

Interviews with 18 Fortis employees

Location	Function	L4G Status	Age	Length of service
Brussels	Merchant Banking – Trading	Attended in June 2006	Early 50's	7 years
Brussels	Merchant Banking – Trading	Attended in Nov 2005	Late 50's	27 years
Brussels	Merchant Banking – Trading	Not attended	Late 20's	1 year
Utrecht	Retail Banking – Marketing	Attended in June 2006	Early 30's	10 years
Utrecht	Retail Banking – Operations	Attended in May 2006	Late 40's	22 years
Utrecht	Retail Banking – Marketing	Not attended	Late 20's	8 years
Luxembourg	Merchant Banking – Risk Management	Attended in June 2006	Late 50's	7 years
Luxembourg	Merchant Banking – Risk Management	Not attended	Early 30's	7 years
Paris	Commercial & Private Banking – Fortis Investments Operations	Attended in June 2006	Early 40's	5 years
London	Commercial & Private Banking	Attended in June 2006	Late 50's	1 year

Location	Function	L4G Status	Age	Length of service
London	Commercial & Private Banking (Ex-Dryden)	Not attended	Early 40's	10 years
London	Commercial & Private Banking (Ex-Dryden)	Not attended	Early 40's	1 year
Asia	Commercial & Private Banking	Attended in June 2006	Early 30's	2.5 years
London	Private & Commercial Banking Fortis Bank UK	Attended in June 2006	Mid 40's	Not known
London	Private & Commercial Banking Fortis Bank UK	Not attended	Early 40's	Not known
London	Fortis Bank UK Human Resources	Attended in Feb 2006	Early 40's	Not known
Asia	Merchant Banking	Attended in June 2006	Early 40's	8 years
New York	Merchant Banking	Attended in June 2006	Early 40's	12 years

Participants were promised personal anonymity, but agreed to sharing their function and location, approx age and length of service. In cases where quotes have been used, permission was granted from the interviewee.

Appendix C: Values Scorecard Survey Template

The following simple scorecard was used as the Values Scorecard Survey:

Do you agree that these are values at Fortis?	
• Drive Performance	Yes / No
• Deliver Results	Yes / No
• Stimulate Entrepreneurship	Yes / No
• Set the Example	Yes / No
• Develop Yourself	Yes / No
• Focus on Client	Yes / No
• Be Mobile	Yes / No
• Be Positive	Yes / No
• Show Courage	Yes / No
• Driven by Passion	Yes / No
• Team Spirit	Yes / No
• Act as One	Yes / No
• Communicate the Story	Yes / No
• Encourage Diversity	Yes / No

Appendix D: Barriers currently in place to living *the fortiomias* as cited by interviewees

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living <i>fortioma</i></u>
Hierarchy, politics & power	<p>Example of the power of “the business”</p> <p><i>“Its crucial to have certain developments to keep this new Italian client and Brussels told me “we have not agreed to do that; I would rather lose the client, you are operations you are operations, you have only to support the business not to take into account your own requirements” (Investments employee, Paris, 2006)</i></p>	Entrepreneurship
	<p>Example of command and control hierarchy / politics</p> <p><i>“the biggest dollar amounts come over to Brussels for the last call on the credit decision, I do sense a willingness to change, certainly at high levels but its v. bureaucratic” (Merchant Banking employee, New York, 2006)</i></p>	Entrepreneurship
	<p>Example of the power of “the business”</p> <p><i>“credit decisions are barriers from “the business”. “the business” is king in Fortis because they generally hold the budgets for operational areas and decide not to pay for things even if it’s not the right decision. In instances where the business does not have the funds (e.g. period of cost cutting) they should work out how to maintain the passion of the person that’s accelerated a project just to have it stopped, it’s the people who have passion who get brick walled time and time again. It’s a barrier to entrepreneurship, decisions saying no for no particular reason – its very demoralizing” (Private & Commercial Banking employee, London, 2006)</i></p>	<p>Be positive</p> <p>Entrepreneurship</p>

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living <i>fortioma</i></u>
Hierarchy, politics & power cont:	<p>Example of the power of hierarchy</p> <p><i>“the fear of losing one’s job if, well there are boundaries you cant cross, even when you may be right, which is something that used to make me very angry years ago. At the Group level decisions are made at the top and everyone looks up, it impacts entrepreneurship 100%”</i> (Merchant Banking employee, New York, 2006)</p>	Show Courage
	<p><i>“I’ve no real evidence, just feelings, for instance when you show courage and it’s not approved by higher management you’re out. There are political barriers”</i> (Merchant Banking employee, Asia, 2006)</p>	Show Courage
	<p><i>“the one that is the most difficult of the fortiomias to really show is stimulate entrepreneurship. Credit are still conservative and that doesn’t match with showing entrepreneurship, there is often conflict as we want to make more money for the bank”</i> (Merchant Banking employee, Brussels, 2006)</p>	Entrepreneurship
	<p><i>“politics is a blocker, when you can’t act because your hands are tied, you have to find bypass solutions. There will always be political issues where you’re warned “not to say that right now because you’re on the killing fields, wait for a while, come back in 3 months” I see it as a blocking point, maybe its strategic? Except normally the CEO is like a godfather, the barrier is blocked, communication of strategies is blocked”</i> (Risk Management employee, Luxembourg, 2006)</p>	Entrepreneurship
Complacency	<p><i>“when things are going well there’s a reticence to take risks on new business. New business always starts as small value, but it could be important value when you start to increase the volumes. It’s hard to convince people of the future value, they tend to stick to known quantities. We are so big that sometimes small things become even smaller and many small things can make one big</i></p>	Entrepreneurship

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living <i>fortioma</i></u>
Complacency	<i>thing as well. It's interesting to look at small things because we have to find growth somewhere. It's difficult now to help my bosses and my team see that we need to give more opportunities to staff closer to the customer because everything is going well and people say "results are going well, why should we change?" (Merchant Banking employee, Brussels, 2006)</i>	
	<i>"the attitudes "but we've always been successful.. why are we doing this? We doubled our numbers last year, what's the problem?", " I know I'm a bully and have no emotional intelligence but this is a company that's all about performance and I don't see anyway I can improve my performance by being nicer to my people" are present amongst some staff" (ELP Programme Director, 2006)</i>	Entrepreneurship Performance
Complacency & Hierarchy	<i>"You get wallflower syndrome, and you just know that ... two things, not only if they have something to say, but they actually have something valuable to say, there's a difference, and you see it time and time again that there are people who could contribute a lot more but it's almost like they feel that they're not allowed to go any further, its almost like a hierarchical thing" (Private & Commercial Banking employee, London, 2006)</i>	Communicate the Story
Culture of Experts	<i>"A lot of people are experts who are used to in perfect isolation coming up with a very very specific, financially engineered in a superb way, solution for the client, but who do not necessarily have to pay attention to the team" (Merchant Banking employee, Brussels, 2006)</i>	Team Spirit

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living fortioma</u>
Cynicism	<i>“there is a lot of cynicism with some elder managers in the silo businesses. It’s impossible to have a positive conversation with some of these individuals”</i> (HR Director – Finance & Planning, Brussels, 2006)	Driven by Passion Be positive Show courage Set the example Communicate the story Act as one
	<i>“I think its more than learning capability it’s a willingness to move that is a barrier”</i> (Risk Management employee, Luxembourg, 2006)	Show courage Set the example
Latin educational tendency to “look up the hierarchy” for direction	<i>“the educational system in the US trains people better to be able to express themselves, whilst the Belgian system does the opposite. You’re not supposed to question “Ex-Cathedra” teaching. In the US its accepted to have a dialogue at university, in Belgium its not and that transcends into the workplace”</i> (Merchant Banking employee, New York, 2006)	Entrepreneurship Show courage
	<i>“I agree with that statement that you get it through the educational system, that’s certainly my experience of sending my children to school in both the US and Belgium”</i> (Merchant Banking employee, Brussels, 2006)	Entrepreneurship Show Courage
	<i>“the culture of Ex-Generale de Banque was more stable, so they look for stability Belgian people. Luxembourg people aren’t as cultured because we are small, students have to go outside and study in France, Germany etc. So they are used to travelling more, as are the Dutch”</i> (Risk Management employee, Luxembourg, 2006)	Be Mobile
Belgian focus	<i>“everybody knows there was a power shift from the Netherlands to Brussels. Of course so many Dutch managers left the company because they probably couldn’t handle the politics. Belgian managers are much more capable of handling the politics”</i> (Retail Banking employee, Utrecht, 2006)	Be Mobile Show Courage

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living fortioma</u>
Benelux focus	<i>“I find it a very defensive company, when it comes to criticism, they don’t accept criticism very well. I actually find them a slightly racist organization, which I probably shouldn’t be saying but the reality is that staff who are based in N. Europe are considered better than staff of equal attributes elsewhere in the world”</i> (Merchant Banking employee, Asia, 2006)	Be Mobile
HR	<i>“I think be mobile is difficult. The organization is not yet really ready to facilitate movement of people between countries. It is quite a hell of a process! I must say HR is not v helpful to promote mobility across countries. The speed of reply to issues is not good, there are difficulties understanding different employment conditions across countries and the relocation packages are not good”</i> (Private & Commercial Banking employee, Asia, 2006)	Be Mobile
Lack of Communication	<i>“there is poor communication, it’s on a need to know basis. The way we are communicated to, if management are moving forward and they have made a decision they will tell us, sometimes it can be silent for months on end”</i> (Private & Commercial Banking employee, London, 2006)	Communicate the story Set the example
	<i>“internal communications has not been high on the agenda within the organization, sharing the successes as much as the problems”</i> (ELP Programme Director, 2006)	Communicate the story
Lack of global IT systems & global policies in some areas	<i>“reporting without all the systems linked up. It’s very time consuming”</i> (Merchant Banking employee, Brussels, 2006)	Drive Performance
	<i>“no we do not have network access when we’re in Europe, we used to but no not now. Terrible isn’t it? The only way to do work is by blackberry, when it works. It’s a barrier to be mobile and deliver results”</i> (Merchant Banking employee, New York, 2006)	Drive Performance

<u>Attitudinal Barrier</u>	<u>Interview quotes</u>	<u>To living <i>fortioma</i></u>
Lack of global IT systems & global policies in some areas	<i>“IT systems – getting things set up quickly- all the networks on your desktop etc. that’s slow”</i> (Merchant Banking employee, Brussels, 2006)	Drive Performance
	<i>“Fortis is not good at putting together policy, whether it’s IT policy or global platforms. We don’t have global IT platforms and no global policy manual on capital expenditure, IT purchases etc.”</i> (Merchant Banking employee, Asia, 2006)	Act as one

Appendix E: Post L4G questionnaire – Quantitative Data

The tables below show the results of the post-L4G questionnaire sent out to participants by Fortis HR Management approximately 3 weeks following each L4G programme. Results were collected over a ten month period, between September 2005 and June 2006.

Participants score each element on a scale of 1-5. 5 is excellent, 4 is very good, 3 is good, 2 is not good enough, 1 is poor.

LEADERSHIP FOR GROWTH - EVALUATIONS

Session No.	session 1	session 2	session 3	session 4	session 5	session 6	session 7	session 8	session 9	session 10
Overall evaluation	4.32	4.31	4.30	4.45	4.41	4.26	4.11	4.17	4.00	4.71
Recommend to others	4.16	4.13	4.14	4.21	4.41	4.13	4.00	4.04	3.80	4.43
Quality of organisation	4.09	4.08	4.27	4.29	3.91	4.18	4.18	3.57	3.15	3.92
Fortiomas part	3.42	3.48	2.57	3.48	3.82	3.62	2.76	3.04	3.52	3.43
ExCo member contribution	3.58	4.54	3.63	no score	4.89	3.33	3.61	3.33	3.00	none
Number of participants	23	36	32	30	29	27	31	29	30	32

Session No.	session 11A	session 11B	session 12	session 13	session 14	session 15A	session 15B	session 16	session 17	18
Overall evaluation	4.44	4.39	4.21	4.72	4.40	4.31	4.45	4.26	4.41	3.95
Recommend to others	4.21	4.15	4.09	4.23	4.20	4.23	4.29	4.22	4.35	3.83
Quality of organisation	4.14	4.11	3.75	4.00	4.00	3.67	3.29	4.13	4.2	3.67
Fortiomas part	2.96	2.95	2.16	3.13	3.64	3.52	3.45	3.00	3.43	3.04
ExCo member contribution	2.68	3.91	3.72	4.08	3.17	4.12	3.05	4.09	3.86	4.39
Number of participants										

Session No.	19	20	21	22	23	24	25	26	27	AVERAGE
Overall evaluation	4.23	4.41	4.48	4.36	4.24	4.5	4.58	4.56	4.39	4.36
Recommend to others	3.9	4.16	4.48	4.18	4.19	4.08	4.19	4.26	4.12	4.17
Quality of organisation	3.24	3.8	3.63	3.86	4.23	3.6	3.57	3.5	4.09	3.87
Fortiomas part	2.97	2.69	2.71	2.36	4.1	3.68	3.1	3.33	3.07	3.19
ExCo member contribution	3.03	none	no score	2.77	4.17	3.54	3.83	4.07	3.29	3.67
Number of participants										