“Thesis”

Culture for change, learning, development and sharing of competence

Marit Ulveseth
Norwegian Public Roads Administration Eastern Region


Mysteries concerning culture for change, learning, developing and sharing of competence
Thanks to all collaborators in the NPRAER, Directorate of Roads, HEC and the “Dietrichson Ulveseth project” for valuable inputs and comments to the thesis.
Contents

CONTENTS 3

SUMMARY 5

1. INTRODUCTION 8

2. THE NORWEGIAN PUBLIC ROADS ADMINISTRATION EASTERN REGION - A SHORT INTRODUCTION 10

3. TRANSITION OF THE NORWEGIAN PUBLIC ROADS ADMINISTRATION 12

3.1 Brief history 12

3.2 New Public Management 12

3.3 Major changes 1.1.2003 13

4. RESEARCH AND LITERATURE ABOUT ORGANIZATION CULTURE, LEARNING ORGANIZATIONS, MODERNIZING OF GOVERNMENT, CHANGE MANAGEMENT AND LEADERSHIP 16

4.1 Collaborative entrepreneurship – the future for the organization 16

4.2 Collaborative community 18

4.3 Rethinking the future – challenges for organizations of tomorrow 22

4.4 Modernizing Government – a continuous process 26

4.5 Change management and leadership 28

4.6 The how and why of organizational learning 31

4.7 Single- and double loop learning 34

4.8 Organizational culture and leadership 35

4.9 Lessons learned – challenges for the NPRAER regarding organizational culture, organizational learning and change management 40

5. EVALUATION OF ORGANIZATIONAL CULTURE IN NPRAER 43

5.1 Methodology 43

5.2 Evaluations of the new organization 45

5.3 Discussion of hypothesis 55
6. CONCLUSIONS AND RECOMMENDATIONS – HOW TO DEVELOP A COLLABORATIVE COMMUNITY

Appendix 1 The Norwegian Public Roads Administration
Appendix 2 Summary SWOT-analysis
Appendix 3 Summary Report on communication in the Resource Unit NPRAER
Appendix 4 Summary PUMA-project
Appendix 5 Summary Evaluationreport from the change-project team in the NPRA
Appendix 6 Summary Audit of the work regarding organization culture in NPRA
Summary
The Norwegian Public Roads Administration (NPRA) is in the middle of a significant transition. In January 2003 the road building and maintenance construction part of the NPRA was outsourced, and the organization was divided in MESTA, the largest road-contractor in Norway with c 3100 employees (2005), and the NPRA with c 4250 employees (2005). The organization structure changed from 19 counties to 5 regions and 30 districts.

Our organization must be prepared to adapt to changes continuously, and the management has announced adjustment of the organization structure as a result of the ongoing evaluations in January 2007. The new Government has announced that they in June 2006 will present a bill to the Parliament regarding change in levels of government and distribution of responsibilities. This bill may have big influence on the framework and responsibilities for the NPRA. The reform will take place in January 2010.

Despite major changes in organization structure, the organization has not been focusing very much on the relationship between organization culture and structure before, during or after the transition process.

In this thesis I discuss organization culture in general, and organizational culture concerning culture for change, learning, developing and sharing of competence in particular.

In the review of literature and research I have been looking for material which may help understanding the challenges the NPRA is experiencing in our transformation process. Research and literature on general trends in modernizing organizations, modernizing of public sector and challenges concerning organizational culture show:

- Collaborative communities or partnership, networks, empowered team and horizontal processes are models for tomorrow.
- Collaborative communities and learning organizations are funded on the same principles, and for me Peter Senge’s five core disciplines for learning organizations: systems thinking, personal mastery, mental models, building shared vision and team learning are enablers for developing communities based on trust.
- Some of the recent approaches in order to increase performance of organizations may destroy trust and create fear and competition, - it is necessary to change processes and introduce new approaches.
The public sector must be able to adapt the changing needs of the society without losing coherency of strategy or continuity of governance such as fairness, equity and justice.

Flexible organizations need structures or process mapping that define roles and responsibilities in horizontal flows in order to reduce ambiguity, though it is often expected that people will take responsibility for tasks they cannot really control.

Leaders must be motivators and communicators, and able to create measures in order to coordinate work and create common goals; they must handle administration, relations and culture building.

Employees are often experiencing lack of information.

Organization culture is particularly important during changes.

Schein is presenting different models for how to conduct a study of organizational culture.

Things Take Time – it takes time to change an organization

There exist so many different studies and evaluations relevant for action for further development of organizational culture in the NPRAER, that some of the managers asked me kindly not to implement more studies. That is one of the reasons why I have summarized and analyzed existing data and not conducting any interviews or questionnaires.

The evaluations show that the employees experience challenges concerning:

- General need for improvement of communication throughout the organization
- Lack of feedback and availability of managers – the leader-spans feels too large
- Utilisation of resources – right person in right place
- Lack of communication of major strategies – we miss a “leading star”
- The top-management seems to be absent for the majority of the employees – how can individuals influence top management
- Turnover management – how to transfer knowledge from the people who are leaving the company
- High focus on cost-effectiveness

However, the analysis shows that the employees in many ways are satisfied with their work situation. People are happy because of the work environment; they have interesting and
challenging tasks, availability of resources and technology, a large network of well skilled colleagues, culture for cooperation and sharing and developing of competence and good social networks.

**Major hypothesis**

“There is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization.”

I believe that the NPRAER today may be classified as a coercive mechanistic culture, but I think it is possible to develop the organization toward an organization based on high trust/community, and a medium level of bureaucracy – an organizational culture with high trust and empowered employees. The organization has adopted some measures regarding bureaucracy, decentralizing of leader-ship and flexible organizations which supports the ideas of collaborative communities and learning organization.

I believe the work on management-system is important for the organizational culture. For instance, the work on process mapping that defines roles and responsibilities in horizontal flows which are already started. Process-mapping will be an important measure in order to handle for example the mismatch between responsibility and authority which explains some of the frustrations people from the Resource Unit are experiencing in NPRAER. There will also be need for activities in order to reduce insecurity. The most important activities in order to reduce insecurity are probably to ensure that all employees are members of strong social and professional networks. It is important that everybody have someone with whom they can discuss both social and professional matters. Relations are important for people who experience big changes.

It is interesting to discover that the younger employees do not possess the same fears or feeling of insecurity as the older people. In the development of the organization it is important to emphasize the “future” concerning implementation of new work methods, and discovering other measures to comfort the older generations who perhaps would prefer to do things like they have always done.
1. Introduction

The Norwegian Public Roads Administration (NPRA) is in the middle of a significant transition. In January 2003 the road building and maintenance construction part of the NPRA was outsourced, and the organization was divided in MESTA, the largest road-contractor in Norway with c 3100 employees (2005), and the NPRA with c 4250 employees (2005). The organization structure changed from 19 counties to 5 regions and 30 districts.

The general idea was that larger entities would ensure effective use of resources (human and capital) and that the districts would offer better public service and decentralizing. The report on framework and principles for the new organization states the following goals for the new organization:

- Political governance
- Cost-effectiveness
- User-orientation, focus on public service
- Justice and equality

Some of the measures employed in order to make the organization more effective was:

- Removing one level of management
- Decentralizing of leadership
- Resource units with matrix-organization

Despite the major changes in organization structure, the organization has not been focusing very much on the relationship between organization culture and structure before, during or after the transition process. The decision about new organization structure was taken without any in-depth studies concerning organization culture, and there has not been much effort put into guidelines in how to develop a compliant organization culture. However, it has been an assumption that organization culture is important. The entities have been encouraged to develop the organization culture, but without any specific goals for the achievements.

1 ”Rammer og prinsipper for organisering av Statens vegvesen – revidert etter behandling i Hovedavtalemøtet 28.06.2002”
Thesis – Culture for change, learning, developing and sharing competence

In order to evaluate how the new organization fulfils the political and internal goals and principles for the restructuring, a consultant firm is conducting a major survey of the effect of the restructurings the spring of 2006. These studies will show the most important strengths and challenges the NPRA is experiencing related to organizational culture, and the result will be used as basis for adjustment of the organization structure.

The organization has long traditions concerning focus on development and sharing of competence. Recent evaluations show that employees experience some challenges concerning this essential heritage.

The employees have pointed out that some of the greater challenges are:

- General need for improvement of communication throughout the organization
- Lack of feedback and availability of managers – the leader-spans feels to large
- Utilisation of resources – right person in right place
- Lack of communication of major strategies – we miss a “leading star”
- The top-management seems to be absent for the majority of the employees – how can individuals influence top management
- Turnover management – how to transfer knowledge from the people who are leaving the company
- High focus on cost-effectiveness

In the thesis I will discuss organization culture in general, and organizational culture concerning culture for change, learning, developing and sharing of competence in particular. I believe there is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization.

I will be focusing on the sections that are dealing with planning and building of new infrastructure, traffic planning and land use planning in the Eastern Region. However, the challenges concerning learning organizations are global for the Norwegian Public Roads Administration. Hopefully this thesis, together with many other studies and evaluations on organizational culture in the NPRA, may be used in the further development of organizational culture and organizational structure.

---

Projet d’Actions – Culture for change, learning and developing competence requires leadership. Marit Ulveseth, December 2005.
2. The Norwegian Public Roads Administration Eastern Region – a short introduction

The Norwegian Public Roads Administration (NPRA) is responsible for the planning, construction and operation of the national and county road networks, vehicle inspection and requirements, driver training and licensing. It also has authorization to grant subsidies for ferry operations.

In general the Public Roads Administration reports to National authorities (the Ministry of Transport and Communications), but in questions related to county roads, the Regional Directors reports to the county legislatures.

The Public Roads Administration is under the leadership of the Directorate of Roads, which is an autonomous agency subordinated the Ministry of Transport and Communication. The Public Roads Administration encompasses five regional offices (figure 1, left).

![Map of Norway showing the five regions of the NPRA and the seven districts of the NPRAER.](image)

*Figure 1. The five regions of the Norwegian Public Roads Administration (NPRA) and the seven districts of the Norwegian Public Roads Administration Eastern Region (NPRAER)*
Appendix 1 presents vision, objectives and values of the NPRA. The Public Roads Administration was reorganized January 1st, 2003.

Figure 1 shows the five regions of the NPRA (left) and the seven districts of the Norwegian Public Roads Administration Eastern Region (NPRAER)(right).

The Eastern Region reports to the Directorate of Roads and five county legislatures. NPRAER serves 89 municipalities and about 1.6 mill inhabitants. The NPRAER is organized in seven districts, where the smallest district, Glåmdal has about 50,000 inhabitants and the largest district, Stor-Oslo has about 770,000 inhabitants.

Figure 2 gives a brief presentation of the Norwegian Public Roads Administration Eastern Region (NPRAER). Due to different challenges, the districts all have different number of employees and different organization structure. The Resource Unit serves the districts, the projects and the regional secretariats. January 1st 2006 NPRAER had c 1070 employees.

**Figure 2 Organization chart Norwegian Public Roads Administration Region East**
3. Transition of the Norwegian Public Roads Administration

3.1 Brief history

The Norwegian Public Roads Administration is used to adapt to new situations. In its more than 140 years long history our challenges has been evolving due to the society’s demand for mobility. Since 1960 there has been a huge growth in car use in Norway, and the NPRA has invested in technology-competence in order to handle the need for investment and maintenance of infrastructure.

Political decisions have always had an impact for the NPRA. Investment in infrastructure has been a very important initiative in order to develop the different regions of the country. The NPRA budgets and activities have always been greatly influenced of the political situation in Norway. The politicians have also been eager to discuss the organization structure of the NPRA. They have given the NPRA new responsibilities (for example: vehicle inspection and requirements, driver training and licensing and coordination of transport planning) and they have, as part of a New Public Management Strategy, decided to outsource the road building and maintenance construction part of the NPRA. In January 2003 the organization was divided in MESTA, the largest road-contractor in Norway with c. 3100 employees (2005), and the NPRA with c. 4250 employees (2005).

3.2 New Public Management

New Public Management (NPM) has influenced reforms in the Norwegian bureaucracy the last 25 years. Knutsen and Boge\(^3\) give in a historical book about Norwegian Policy for Road development, a simplified summary of some of the ideas of NPM concerning the NPRA:

- The goal is to reduce the size of the public sector, make it more effective and ensure a better use of the tax-payers money.
- Deregulation, privatization, reduction of cost and focus on more effective processes
- Managing by objectives and use of Balanced Score Card

According to Knutsen and Boge, the development of New Public Management in Norway can be understood as an organizational learning process. Organizational learning demands the ability to adjust to feed back and change strategies when needed. Learning organizations may

be one solution to challenges due to uncertain and competitive surroundings. Government owned organizations can not only focus on how to solve their tasks in the best manners, - they must also adapt to the changing ideas and policies of their government.

Since 1993, the NPRA has been striving to become more effective and competitive. The administrative costs are reduced, some parts of the organization are developed as specialist centres, and great effort is put into establishing internet-systems in order to better serve the public. I 1995 the NPRA, as the first step towards outsourcing of the contractors, divided the organization in a division for ordering of services, and one division for execution of services. In 1998, Stortinget (The Norwegian Parliament) also decided to use Private Public Partnership as one tool to develop the road networks of Norway. The organization structure has been changed several times, but the real big change of structure was executed the 1.1.2003 and was supposed to be “accomplished” the 1.1.2006. In this period, the work force was reduced from about 5000 employees to 4250 employees.

In the period 2003 to 2006 there have been put much effort on restructuring of the work connected to vehicle inspection and requirements, driver training and licensing. But the fall of 2005 the new elected Government of Norway immediately stopped some of the plans concerning new structure because they did not support the ideas of a modest centralizing for some of these work tasks.

The new Government has announced that they in June 2006 will present a bill to the Parliament regarding change in levels of government and distribution of responsibilities. This bill may have big influence on the framework and responsibilities for the NPRA. The reform will take place in January 2010. Our organization must be prepared to adapt to changes continuously, and the management has also announced adjustment of the organization structure as a result of the ongoing evaluations in January 2007.

3.3 Major changes 1.1.2003

The split
The 1.1.2003 the institution was divided in MESTA, the construction-part of the company, and the NPRA. For many people this was a big change, though it had been prepared for many years. People are worried because they are afraid the split might hurt the identity of the firm, and it might be harder for the employees to receive feedback on their work on new
Thesis – Culture for change, learning, developing and sharing competence

infrastructure and policies for management of maintenance etc. They would have preferred an organization with responsibility for the complete work-chain for planning, building and maintenance of the road-networks. The purpose of the change is to ensure more effective use of the money invested in infrastructure and maintenance (because of competition between different contractors and more accurate job-descriptions/orders). NPRA has made new processes and are still working on strategies in order to be able to fulfil our tasks properly; despite the construction-workers are not any more parts of our organization.

The split of the company has touched the identity of the organization. One of the reasons for this is that the NPRA does not any longer have many people out in the field. We do have the responsibility for the road-networks, but the public do mainly see people from MESTA or other contractors on the roads. This fact has also influenced the work concerning marketing and human relations of the new NPRA. The society does not know the NPRA any more, but they can see the people from MESTA every day. The employees are mourning because their neighbours believe that NPRA does not exist any more.

**The new organization – challenging regarding leadership**

The NPRA was restructured from 19 counties to 5 regions and 30 districts. The general idea was that larger entities would ensure effective use of resources (human and capital) and that the districts would offer better public service. The report[^4] on framework and principles for the new organization statues the following goals for the new organization:

- Political governance
- Cost-effectiveness
- User-orientation, focus on public service
- Justice and equality

Some of the measures employed in order to make the organization more effective:

- Removing of one level of management
- Decentralizing of leader-ship
- Resource units with matrix-organization

The organization structure for NPRAER is shown in figure 2, page 11.

[^4]: "Rammer og prinsipper for organisering av Statens vegvesen – revidert etter behandling i Hovedavtalemøtet 28.06.2002"
The organization knew that the new structure would be challenging. Focus on leadership and management-skills for the leaders of the new organization was supposed to be important criteria in the selection of the new managers. A project on leadership and organization structure\textsuperscript{5} pointed out some of the challenges with the new structure:

- In some cases the leader-span might be too large
- It demands distinct framework and goals from the top-management
- Many persons must be acknowledged to represent the organization
- Ability to always look for new solutions and to cope with solutions that are not yet verified
- The need of more informal communication, though this may cause uncertainty regarding responsibility and role
- The need for cooperation across the lines in the organization-structure
- The need for well functioning teams and projects that manage their work by themselves, - empowerment

The project pointed out that capability to manage an organization with less leaders and larger leader-span might be the ability to find new ways to execute personnel-management. For instance by delegation of the responsibility for management and developing to teams or employees, while the formal and juridical responsibility will still be in the hands of the formal leaders. Regardless of this project, the organization has not yet been able to adapt to the new challenges concerning leadership and management\textsuperscript{6}.

The NPRA had major influence on the organizational structure, but the politicians took the last word when they decided the location of the new regional offices. Ideas about decentralizing of government become more important for the government than appreciation of cost-effective solutions for the NPRA. Because of this, the main office for NPRAER is located in Lillehammer.

\textsuperscript{5}“Organisasjon og ledelse i ”det nye Vegvesenet” – arbeidsgruppe ledelse (AGL)
\textsuperscript{6}“3 år er gått – innlegg på ledersamling Gardermoen November 2005”, Lene Mürer leder for arbeidsgruppe ledelse (AGL)
4. Research and literature about organizational culture, learning organizations, modernizing of government, change management and leadership

There exist lots of research and literature about organizational culture, learning organizations, modernizing of government, change management and leadership. In each of the fields mentioned there are different schools or beliefs about how to handle these questions, and I find the discourse between practice-oriented prescriptive literature and sceptical literature produced by academics and scholars in the field, particularly interesting. The practice-oriented literature seem to be looking for solutions for the challenges one may experience for example regarding organizational learning, while the academics are mainly commenting weakness regarding the proposals for action.

In the review of literature and research I have been looking for material which may help understanding the challenges the Norwegian Public Roads Administration is experiencing in our transformation process regarding:
- General trends in modernizing organizations
- Modernizing of public sector (including NPM)
- Change management and leadership
- Organizational learning
- Organizational culture and values
- Methods to evaluate organizational culture

4.1 Collaborative entrepreneurship – the future for the organization

Raymond Miles, University of California, Berkley has for the last years concentrated his research on organizational structure and strategy. He discusses the evolution of the economic and organizational era since 1900. There has been a development from standardization and mass production, through customization and product diversification toward today’s era of innovation.

---

7 Notes from MS Ressources Humaines HEC 2005 – 2006 study trip to the U.S January 2006
Table 1 Miles’ classification of economic and organizational era

Miles is discussing how the different economic eras call for different solutions concerning organization models, cooperation, information and knowledge-flow both inside a firm and between different firms. He points out that in the 21st century innovation and collaboration is really important in order to develop a sustainable business or organization. Collaboration is another word for partnership. The collaborators are looking for how to create benefits both for the individuals and for the community. This is different from cooperation, where the partners seek benefits by exchange of services. In collaboration each participant has an equitable situation, and the minds are first of all set for how to create solutions or new products. They will do the calculation of benefits later. According to Miles collaboration is a “learned” capability based on trust building investments.

Trust is the key factor of success, and Miles are discussing important people management tools for the collaborative organization:

- Helping people learn to collaborate, to trust each other through training
- Creating protocols (identifying behaviors that demonstrate trust)
- Endorsing the role of facilitator
- Identifying skills for team-building

Knowledge is important for an innovative organization, and it is important to invest in people over long term. Creating a common language and motivation may be some of the tools in order to enhance trust between people and collaborative behavior. Networks between people
Thesis – Culture for change, learning, developing and sharing competence

within the organization and among firms are the future for innovative organizations according to Miles.

**4.2 Collaborative community**

Collaborative communities, network, organic organization, trust and development of people are all important vocabulary in the later publications about organization structure and development. I will continue by presenting some of the ideas from another American professor, Paul S. Adler, University of Southern California. Adler does also believe that trust and collaborative communities are key words for the future organization. Financial incentives and bureaucratic authority and procedures are useful, but not enough for an organization. According to Adler the organizations needs a strong sense of community, and he calls for a change from community based on loyalty to the collaborative community. He discusses how approaches in order to increase performance by restructuring to hierarchical controls and by sharpening financial incentives may destroy trust and create fear and competition rather than cooperation and openness: “When such organizations attempt to bring different kinds of knowledge and skill together around problems, the absence of trust undercuts the knowledge sharing that the work demands”. I am afraid a kind of competition as a replacement for collaboration is one of the big challenges the NPRAER is experiencing nowadays. We have adopted some of the principles from NPM regarding beliefs about cost-effectiveness. The different unites in the new organization has not yet learned how trust and collaboration across the different boundaries may be the best solution for development of our organization. The skills which are implemented are skills or processes for control rather than protocols that demonstrates trust.

Adler and Heckscher have in their study of successful businesses found that organizations which support horizontal interdependence rather than relying on top-down control or autonomous self-interest guided by financial incentives are the winners. These businesses have values which emphasize interdependent contribution to a collective purpose rather than loyalty and reliability, and the social character of it members is tolerant of ambiguity and conflict rather than taking comfort in fixed roles and status.

Adler is discussing two kinds of bureaucracy:

---

8 Notes from study trip to the U.S January 2006 and article “Collaborative Community” by Paul S. Adler and Charles Heckscher, version date 15.01.2006
Thesis – Culture for change, learning, developing and sharing competence

- coercion – where the purpose is to reduce employee judgment by enforcing legal documents and strict rules or processes in order to do the work
- enablement – where the purpose is to help the employee to do their job by developing manuals and create environment for accumulated learning

It may be hard to change a coercive bureaucracy build on low trust among the individuals in the organization, while it may be easier to improve a defined process in a high trust community.

Adler has classified different organizational cultures regarding degree of bureaucracy and trust/community:

<table>
<thead>
<tr>
<th>Trust/Community</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of bureaucracy</td>
<td>Low</td>
<td>Autocratic</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Coercive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>mechanism</td>
</tr>
</tbody>
</table>

*Table 2 Adler’s classification of organizational cultures*

Often you will find Research and Development departments to be in the organic corner of the classification, and sometimes these departments are too organic in order to be effective. They may improve their efficiency by introducing some processes and routines. Different models may be efficient for different tasks or assignments.

Patrick Lemattre, professor at HEC, presented in his lecture for the MS Ressources Humaines 2005 - 2006 some interesting reflections about how different generations of employees because of different background and values may find their place in a similar classification or model regarding bureaucracy and community. I believe this kind of classifications or models may be an interesting measure for the NPRAER to understand how employees with different skills, academic background and within different fields of the organization adjust to changes in the organization. It may also be interesting in order to model how the different generations of employees will cope with implementation of new processes and ways of doing things. This
Thesis – Culture for change, learning, developing and sharing competence

is particular interesting in an organization which in the next years will experience revolutionize in age groups due to 35 percent of the employees today are more than 55 years.

Adler comments how it may be very difficult or almost impossible to change an organization which may be classified as a coercive mechanistic culture with high degree of bureaucracy and low trust to an organic culture with low degree of bureaucracy and high trust.

I will later discuss how this statement agree or differ with the change of culture that the NPRAER will have to undergo the next years in order to handle the change of organization structure and principles. Perhaps a change of generations, if conducted in a clever way, may be a catalyst for change of culture.

In the article “Collaborative community” Adler and Heckscher are describing some of the challenges IBM was experiencing when they wanted to transform from a bureaucratic organization culture to a more flexible and service capability culture. One of the problems they experienced in their transition was the inability of the top leadership to create a sense of shared community around a new direction. The measures chosen by the management shock up the old structures and destroyed the bonds of traditional loyalties, but did also cause uncertainty and fear rather than unified commitment. The senior management was not able to support the changes and the top manager got frustrated and announced. “Everyone is too damn comfortable. We have too many people standing around the water cooler waiting to be told what to do”. After a change of top management IBM started to build a new form of community with a high level of trust based on open discussion and debate. The new structure was built around horizontal processes, supplementing traditional vertical controls. IBM has introduced systems for process maps that define roles and responsibilities in horizontal flows, which helps people to coordinate horizontally with their peers. This structure is different from a traditional bureaucratic structure that creates clarity by ensuring that each person has a defined realm of authority that matches accountability. In IBM they have created a collaborative approach where “it is expected that people will take responsibility for things they can’t fully control, and that they will be moving outside the zone of their formal accountability”. As a result of the change of mindset the employees have had to change their behavior. Instead of looking for a rule or manual to follow, they must continually redefine roles and responsibilities through discussion with their project colleagues.
A change of organizational culture and structure will call for changes both in values and the individuals’ character. Adler and Heckscher are stressing the need for shift in attention from internal duties and relationships to the common objective that unites everyone. It is important that everyone gain a rich picture of the purpose they are working towards, and a shared understanding of the strategic challenges and opportunities that they are addressing. A collaborative system need people with interactive character and identities that embrace the complexity of interdependence rather than seeking refuge in either dependence or autonomy.

Major changes in organizational culture, values and structures demand clever and hard work. In order to succeed it is important that the managers implement their own models and ideas regarding for example empowerment. They really have to show that it is a collective responsibility to build the fundament for the new organization by making processes were all the employees have the possibility to influence the shared vision. People have to work together towards a shared sense of purpose.

Adler is discussing the emergence of a new form of community:

- **Step 1: Gemeinshaft**: the traditional community which is homogeneous, stable, have strong norms and trust, but is hierarchical, conformist and inward-focused
- **Step 2: Gesellschaft**: association of rational self-interest which is cold, calculating, individualist, formally egalitarian, but which creates alienation and anomie
- **Step 3: Collaborative**: combines high individualism and collectivism by collaborative interdependence

The values, organization and identities of the different communities are shown in table 3.
Values | Organization | Identities
--- | --- | ---
**Gemeinschaft** | Collectivism:  
• loyalty and honor | Mechanical solidarity | Dependent  
(shame)

**Gesellschaft** | Individualism:  
• personal integrity  
• formal rationality | Organic division of  
labor coordinated by  
authority and market | Independent  
(guilt)

**Collaborative** | Simultaneous  
individualism and  
collectivism:  
• interdependent  
contribution  
• value rationality | Organic division of  
labor coordinated by  
conscious  
collaboration | Interdependent  
(embarrassment)

*Table 3 Classification of community by Paul S. Adler*

**4.3 Rethinking the future – challenges for organizations of tomorrow**

Rowan Gibson\(^9\) has edited a book called “Rethinking the future” were 16 scholars in different  
fields of business development are discussing some of the challenges we are experiencing  
concerning our fast changing environment. Leaders and organizations have to adapt different  
ways to handle chaos, uncertainty and rapid changes.

The book makes comments about some of the paradoxes we are experiencing. We are  
supposed to do what we have always done but faster, though one says that things that enhance  
the quality of life involve slowing down. Peter Senge points out that just as we are destroying  
biodiversity, we are destroying cultural diversity, the “gene pool” for cultural evolution. The  
society loses accumulated knowledge for advanced understanding of the human condition, for  
health, for “being-ness”. Why do we not slow down and stop the homogenization processes?

Senge claims that we have no ability to control our behavior at macro level. Business  
organizations are also so big that nobody can control them. “*The business is becoming more*

complex and dynamic, and the individuals has to sense how to work as part of a system, - where the whole is greater than the sums of its parts.”

It is important to create an empowered workforce around a common sense of meaning and vision, based upon value principles. Fundamental principles must be built into all structures and systems. Then the principles become behavioral habits, which enables the fundamental transformation of individuals, of relationship and organizations. But most of all it is important to create “high-trust” cultures, with partnerships inside and outside the organization, with employees, with customers, with suppliers, with everybody. The great value of a high-trust culture is that it brings together idealism and pragmatism, which is important basis for both empowerment and quality. When there is low trust you have got to use systems for control.

Stephen Covey talks about how the believe in people is the most valuable asset for an organization: “The organization is not a machine which is easy to fix, - it is organic. It lives and it grows, and it is made up of living, growing people. You can not fix people. You have to nurture them over time.”

John Naisbitt and Keven Kelly talk about networks and decentralized and flattened organizations as a way to handle the changing society. The old business models do not work any more because of the increasing complexity of the society. Working in networks is contradictory. You have a sense of uncertainty, a sense of interdependency, a sense of relativity. But when a network is really powerful, everyone feels that they are in the center. “The organization relies on a bottom-up kind of control – emergent control – like you have in a flock of birds or a swarm of bees.” The flow of information is an important part of the structure of the new business model. Kelly describes the following philosophy for leadership:

“It is not a leadership that is controlling things. It is a leadership that is pointing to a particular destination. It is envisioning or trying to anticipate the future. So rather than trying to steer the organization, it is actually trying to look ahead and describe the view coming down, and then trying to articulate that so the bottom understands it, and the then the bottom can steer towards it.”

John Kotter discusses how corporate cultures can either be anchors on change or enable us to adapt to the changing environment. Corporate culture has to do with group norms or
Thesis – Culture for change, learning, developing and sharing competence

traditional ways of behaving that a set of people have developed over time. It is about shared values. Values and norms are often invisible, so people are often not aware of culture, or of the role that they play in maintaining the particular culture.

Kotter shows to his book “Leading Change” where he has listed eight different steps in a successful transformation of organizational culture:

- “They have to look objectively at how the organization is doing
- Form a group of actors that has enough power to lead the change effort
- Develop a vision and a strategy for achieving it
- Communicate the vision
- Empower people to change systems and structures
- Create some short-term wins so that employees can see visible improvements, and they can be recognized and rewarded for their part in those improvements.
- Consolidating the credibility form those short-time wins to produce even more change
- Ensure that the new values and behaviors are all institutionalized into a new culture”

Appeal to human nature - putting people first – is the most important tool to create a culture within people from widely different backgrounds can work together comfortably. It is easier to develop a strong common culture when you have everybody in the same office. When the group is more decentralized, the changes happen more slowly and you can not expect that the culture get so strong. Creating an adaptive culture, if it does not exist, is never easy. But the alternative is worse.

Peter Senge talks about how everyone in business is into teams, though learning how to think together involves very high-level skills that very few managers have. Learning organization is another “slogan”, but the term learning organization is very broad and can mean different things to various people. It can for example mean flexible, responsive, adaptive, non-bureaucratic organizations. For Senge the term has meant developing specific learning capabilities. See chapter 4.6 for more detailed description of Senge’s work concerning learning organizations.

Just like Kelly and Nasibitt talk about the value of radical decentralization in networks, and Covey are discussing the importance of principles, Senge supports the value of network
organizations governed by a very clear purpose statement and a set of carefully worked-out operating principles like for example Visa International and Natural Step in Sweden.

Change of culture takes time and courage to redistribute power. Though people talk about empowerment and learning organization, it will very often just be talk.

Senge discusses the distinction between knowledge and information, and comments how we in the western cultures treat information and knowledge as something that could be possessed, while one in the oriental cultures inherits knowledge. But do people own ideas? He defines knowledge as the capacity for effective action. It is not something you can purchase, it is something you learn. Knowing about things – and knowing how, is different, - in this light knowledge sharing and information sharing are fundamentally different.

“Sharing knowledge occurs when people are genuinely interested in helping one another develop new capacities for action; it is about creating learning processes.”

Learning requires safety. The more stress we put on our organization, the more tendency will be to revert to their most primitive behaviors. The irony is that to do things faster you often have to go slower. You have to be more reflective, and you have to develop trust. People have to develop their ability to truly think together and trust another in order to handle difficult systemic changes. To build learning organization involves the willingness to change our mental models, which may be challenging since our old mental models were the keys to our confidence and our competence. Giving up control through old systems is difficult if you can not picture what you might be getting in its place. One really has to believe in the possibilities.

NPRAER are experiencing stress in order to change and become more effective, something which is really hard when people feel insecure about their future job situation. We have adopted an organization structure which calls for new mental models and collaboration, but people do not want to give up the old models, systems and way to work together because they do not have a common vision about which direction we are heading.
4.4 Modernizing Government – a continuous process

In the past two decades we have experienced many new ideas and initiatives in the field of public management, and public administrations have become more efficient, more transparent and customer oriented, more flexible, and more focused on performance\textsuperscript{10}.

Despite the focus on privatizations, the government has a larger not smaller role in the OECD-countries today than 20 years ago. But the mix and modes of governments interventions have changed from government own enterprises to regulations regarding different policy problems concerning pollution, health, data matching, protection of minorities, global terrorism, credit control, consumer protection etc.

The focus we have experienced on how to enhance the public sector performance by for example performance management and budgeting may be contradictory. It may cause “individualism” and prevent cooperation between sectors in order to find the best solutions. Geographic decentralization and decentralization of power and leadership may cause better quality in public services, but the decentralization and empowerment of the civil servants may also challenge some of the government accountability and control. The public sector must be able to adapt to the changing needs of the society without losing coherence of strategy or continuity of governance values such as fairness, equity and justice.

“\textit{Governance has to continue to adapt in response to such pressures as the spread of national and international commerce, the shifting powers between levels of government, the spread of technologies and media of mass persuasion, the permeability of national borders, the influence of global communities of values and interest, and the vulnerability of free societies to the threat of terrorism.}”

Decentralizing, depoliticizing and democratizing administration is a trend for all modern organizations, and this trend may be a way to improve competences concerning learning and change. Nevertheless, the OECD-report on Modernising Government points out that many of the reforms in the public sector has not lived up to the rhetoric: “\textit{In many cases, the changes made to rules, structures and processes have not resulted in the intended changes in

\textsuperscript{10} OECD-report: Modernising Government: The way forward. 2005
Thesis – Culture for change, learning, developing and sharing competence

behaviour and culture. Indeed, in some cases reforms have produced unintended or perverse consequences, and have negatively affected underlying public sector and governance values.”

Another important lesson to learn from the OECD report on Modernising Government is that the modernisation is context dependent. It is important to see the different public sectors as a whole interconnected system, and reforming one part of the system can have unintended impacts on another part. In order to make effective reforms one has to take in consideration the need for change of a variety of actors. “Governments need to understand the dynamics of their own system and to design reform strategies that are calibrated to the risk and dynamics of their system.”

It is also important to recognize that public governance and public administration are linked, and the practice of public administration both reflects and influences the values of the governance.

The Norwegian Government is putting much effort in continuously development of the public administrations. After some decades with specialization and outsourcing of tasks, the latest movement is to merge some of the sectors in order to ensure better services for the public and more efficient use of the government’s resources. For example, in July 2006 the Norwegian Public Employment Service and the National Insurance Service will merge into a new Employment and Welfare Administration in order to ensure better integration and coordination of the services regarding the important goal of more people into work and reducing the number of people receiving passive benefits. Public partnership agreements between the national government and the municipalities are another instrument in order to improve the services for the public.

In the book “Kommunikativ ledelse” (Communicative management)\textsuperscript{11}, Erik Oddvar Eriksen, professor at the Advanced Research on the Europeanisation of the Nation-State (ARENA) at the University of Oslo discusses how the modernization of government will have to influence the future management of the public sector. High competence and skills in the core-field of the sector used to be the most important qualification for the managers of the public sectors. The New Public Management movement called for qualifications in management models

\textsuperscript{11} Kommunikativ ledelse – om styring av offentlige organisasjoner, Erik Oddvar Eriksen, Fagbokforlaget, Bergen 2000
Thesis – Culture for change, learning, developing and sharing competence

adopted from the private sector regarding for example managing by objectives and how to become more effective. Today’s public sector does also call for great communication skills, high standard of ethics and focus on values.

Eriksen discusses how managers in knowledge organizations must compete with their peers concerning competence and capability, and how the decentralization of power may reduce challenges regarding information flow in the organizations. Though, he stresses that the manager must be able to encourage their employees to participate in networks in order to share information and knowledge and to participate in the development of the community.

4.5 Change management and leadership

The book “Endringsledelse i det offentlige (Change management in public sector)”, by Tor Busch, Erik Johnsen and Jan Ole Vanebo summarize important knowledge concerning modernizing of public sector in general. The last part of the book focuses on innovation, organizational learning and change management and presents a model for management of transformation. It presents ideas from scholars like Peter Senge, Edgar Schein, Nonaka, Argyris and Schön, and gives a brief introduction into the field of individual and organizational learning. The book discusses how organizational culture may represent tacit knowledge and influence the framework for learning in the organization. The framework for learning will influence:

- the motivation and performance of the employees
- the organizations ability to transform or adapt to changes, the ability to develop new processes and technology
- the ability to fulfil the objectives of the organization

Trust and relationship between employees are important in order to promote innovation. In order to promote transformation in an organization it is vital to engage all the members of the organization and create commitment to new values and performances. During the transformation it is essential that everybody has the possibility to discuss and make reflections regarding new routines and processes in order to ensure that everybody understands and adopts the new theories-in-use.

---

12 Endringsledelse i det offentlige, Tor Busch, Erik Johnsen, Jan Ole Vanebo, Universitetsforlaget, Oslo 2003.
Thesis – Culture for change, learning, developing and sharing competence

Tom Colbjørnsen, professor and responsible for NHH Executive MBA in Strategic Management, has conducted empirical studies of leadership among Norwegian leaders.

He gives the following definition of leadership: “Leadership is to create results through others”. In order to create results the leader needs skills in management, culture (values and visions) and relations. It is important to be able to utilise the right mix of these three skills.

Management is setting objectives, making clear expectations and to supervise results. Culture is about designing values, visions, symbols and common mindsets. Relations are important for the interaction between leaders and employees and among the employees. He presents a model in order to understand how the different functions are connected, see figure 3.

He argues that an organization may use different measures in order coordinate work, create common goals, supervise results, arrange for learning and development and motivate the employees for development:

- Empowered team
- High motivated employees
- Processes
- IT-systems for management of objectives

The leaders should focus on how the organizations should handle the need for change due to internal and external conditions, minimize the employees feeling of insecurity and sorrow because of changes and be able to visualise the vision of the future. The ability to motivate empowered and well-qualified employees to work towards common visions is getting more and more important, in particular when old bureaucracy are dissolved in order to create a more flexible organization.

Colbjørnsen argues that leaders have employees not partners. The relation between the leader and the employee are hierarchic, - the leader has the responsibility to take initiative in order to change the approach of his/her employee if the employee does not fulfil the work tasks. This is important, even when the leader has delegated the responsibility for the work to the employee. The leader has authority and juridical responsibility.

---

13 Ledere og lederskap, AFFs lederundersøkelser, Tom Colbjørnsen, Fagbokforlaget, Bergen, 2004
Figure 3 A global model for leadership (Colbjørnsen)

Colbjørnsen has used empirical data to check important skills for leadership. The studies show that the employees expect the leaders to cover their needs concerning management, development of organization culture and relations. When organization experiences status quo, management are supposed to be important. Development of organization culture is supposed to be particular important when the organization has to handle transition.

The empirical data show that the organization will have increased needs for all kinds of leadership (management, culture and relations) when it experiences insecurity. However, in periods with a great amount of insecurity it is particularly important to focus on the human relations between the leader and the employees.

Colbjørnsen defines espoused values, basic underlying assumptions, norms and behaviors as important conditions concerning organizational culture in leadership literature. Clear and consistent message is necessary in order to arrive to a common set of assumptions and to
reach the organizations goal. Artifacts and incidents the leader pay attention to may be more important for motivation, than pay system, recruitment and design of the worksite.

Everybody in the organization influences the organizational culture. The leader has to understand and adjust to the rules of the culture. The employees do not always understand the intention of the leaders’ actions, and the value of the action might be quite different than the leader expected because of different interpretation. It may be quite challenging to balance the edge between creating positive energy to obtain the organizations objectives, or creating resistance for the necessary actions or transitions. Sometimes the leaders have an important task as artifacts. They may function both as galleon-figures and scapegoats.

Information and celebration of results may be an effective way to influence the organizational culture. Thus it is quite interesting that empirical data shows that leaders believe they are communicating well important values and information to the employees, while the employees are experiencing lack of information. The leaders believe the employees possess more information than they really have. Good routines or systems for information flow is particular important in complex, flexible organizations, where it may difficult to determine who is responsible to inform the different parts of the organization.

Coherence between authority and responsibility may be crucial for the motivation of leaders and employees, though in flexible organizations and network organizations people will have to coordinate horizontally with their peers. It is necessary to create process maps that define roles and responsibilities in horizontal flows in order to prevent internal fights about resources and lost energy due to time spent on influencing authorities. The leaders must be able to handle ambiguity and conflicts, and to communicate and negotiate clarifications. In order to avoid vagueness towards important objectives for team- and process-members from different units in the organization, it is important that managers in the flexible organization ensure that they work towards equivalent agenda.

### 4.6 The how and why of organizational learning

There exist lots of research and literature about learning organizations, Chris Argyris and Peter Senge are two important scholars in this field. Bertrand Moingeon, Professor HEC Paris, emphasis in his lecture for the MS Ressources Humaines the importance of management of knowledge about inter-human relations in the learning organization.
individuals’ different perceptions influence how we understand situations, and it is a challenge to create a good environment for communication and systems for learning, innovation and participating in competence development. It is important that everybody understand that he/she has responsibility to participate in developing his or her workplace. Moingeon also underlines that it is important that the management are able to give important signals about which direction the organization is moving.

According to Moingeon and Edmonson the organizational learning consists of two important forms: “learning how” to do things and “learning why” things happen. Learning the skills in order to execute the task may help the organization to work effective, but learning why/understanding why the task are done in a certain way is important in order to innovate new and better ways of fulfilling the tasks.

In the report “From organizational learning to the learning organization” Edmonson and Moingeon through a discussion of different scholars approaches to theories concerning learning organization, concludes that it may be effective to implement different models for learning at the same time. They show how the two scholars, Peter Senge and Chris Argyris, both offers important knowledge to organizational learning. Senge and Argyris view properties of individual cognition as the critical source of improving of organizational effectiveness. They do both propose that tacit sources of the organization must be made explicit in order to be changed.

The infed-website has published an interesting article about Peter Senge and the learning organization. The article was published by Mark K Smith in 2001 and updated January 30, 2005. The article tell about Senge’s interest on decentralizing the role of leadership in organizations in order to enhance the capacity to work productively toward common goals, but first of all the article presents his five disciplines to innovate learning organizations.

According to Peter Senge learning organizations are “....organizations where people continually expand their capacity to create the results they truly desire, where new and

---

15 From organizational learning to the learning organization, Amy Edmonson, Bertrand Moingeon, CR 595/1597, Groupe HEC, 1997
16 infed (the informal education homepage) was established in 1995. The site is run on a not-for-profit basis and is part of the UK National Grid for Learning.
expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together.”

Senge has presented five core disciplines for a learning organization:

- Systems thinking
- Personal mastery
- Mental models
- Building shared vision
- Team learning

Senge argues that leaders in learning organizations must be designers, stewards and teachers. “They are responsible for building organizations were people continually expand their capabilities to understand complexity, clarify vision, and improve shared mental models.”

Building a shared vision and designing learning processes are key words for success. In order to build a shared vision the leaders must be able to learn to listen to other people’s vision and to change their own where necessary. They leaders must believe in the visions, they must show commitment and responsibility for the vision.

In the Fifth Discipline Fieldbook, Peter Senge and his colleagues presents strategies and tools for building a learning organization. The book shows by example and exercises how people can make their organizations more effective by:

- Reinventing relationships
- Being loyal to the truth
- Strategies for developing personal mastery
- Building a shared vision
- Systems thinking in an organization
- Designing a dialogue session
- Strategies for team learning
- Organizations as communities
- Designing an organization’s governing ideas

---

4.7 Single- and double loop learning

In the book Organizational leaning II, Theory, Method and Practice\textsuperscript{19}, Argyris and Schön present how research and practice about organizational learning may help organizations to develop their capability of desirable kinds of learning. They are presenting and discussing different schools concerning organizational learning, and they are commenting that there exist two main schools of literature:

- Practice-oriented, prescriptive literature
- Sceptical scholarly literature produced by academics

They are stressing the importance of the organizational inquiry in order to produce productive organizational learning outcomes, and introduce the concept of single- and double loop learning:

“Single-loop learning: instrumental learning that changes strategies of action or assumptions underlying strategies in ways that leave the values of theory of action unchanged.

Double-loop learning: learning that results in a change in the values of theory-in-use, as well in strategies and assumptions. The double loop refers to the two feedback loops that connect the observed effects of action with strategies and values served by strategies.”

Single loop learning may be sufficient where errors can be corrected by changing processes within a constant framework of values and norms for performance. When an organization is in the middle of transition single loop learning may be insufficient. Then it might be necessary to encourage double-loop learning with emphasis on restructuring of values and fundamental assumptions in order to develop organizational learning, change theory-in-use and adopt to new objectives and organizational structure.

Argyris and Schön are discussing some of the challenges concerning development of an environment where all the individuals participate in the organizational learning. Sometimes it may be difficult to share the necessary information and engage all the employees in the organization, thus sometimes only subcultures participate in the organizational learning.

\textsuperscript{19} Organizational learning II, Theory, Method and Practice, by Chris Argyris and Donald A. Schön, Addison-Wesley Publishing Company, USA 1996
According to the practice-oriented literature important organizational structures, processes and conditions that may function as enablers for productive organizational learning are:

- “flat, decentralized organizational structures;
- information systems that provide fast, public feedback on the performance of the organization as a whole and of its various components;
- mechanisms for surfaced and criticizing implicit organizational theories of actions, cultivating systematic programs of experimental inquiry;
- measures of organizational performance;
- systems of incentives aimed at promoting organizational learning; and
- ideologies associated with such measures, such as total quality, continuous learning, excellence, openness, and boundary-crossing”

The scholarly literature, however, are arguing that the very idea of organizational learning does not make sense, or that organizational learning may not always be beneficent and that real-world organizations are or will never be capable of learning productively.

4.8 Organizational culture and leadership

There exist several methods in order to study organizational culture, and one of the scholars in this area is Edgar Schein. In his book “Organizational culture and leadership,” he is discussing why and how it may be useful to analyze organizational culture.

Cultural analysis may be helpful in order to understand what is going on inside organizations, where different subcultures and groups must work together. Communication failures or lack of teamwork in an organization is often results of breakdown of intercultural communications. In mergers, acquisitions and joint ventures it is particular important to consider culture, since different cultural background can cause misunderstandings and poor performance. However, it is a severe problem that cultural misunderstandings are usually considered not discussable.

In change management good knowledge of the culture is important in order to understand how different subcultures have to change basic assumptions, values and behaviours, - and it helps to understand individuals and subcultures resistance to the changes.

---

Schein’s definition of organizational culture:

A pattern of shared basic assumptions that the group learned 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 way to perceive, think, and feel in relation to those problems.

Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead. There are three main layers or levels to uncover:

- Artifacts
- Espoused values
- Basic underlying assumptions

Schein uses different cases to illustrate how to analyze organizational culture, and he presents a clinical research model:

<table>
<thead>
<tr>
<th>Level of Researcher Involvement:</th>
<th>Low to Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quantitative</td>
<td>Qualitative</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Level of Subject Involvement:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimal</td>
</tr>
<tr>
<td>Demographics; measurements of “distal” variables</td>
</tr>
</tbody>
</table>

| Partial                      |
| Experimentation: questionnaires, ratings, objective tests, scales |

| Maximal                      |
| Total quality tools such as statistical quality control; action research |

**Table 4 Schein’s clinical research model**

The clinical model involves a fundamental assumption – one can understand a system best by trying to change it. By involving the members of the group, it is easier to really understand
Thesis – Culture for change, learning, developing and sharing competence

their deeper assumptions. An ethnographic model just observes the culture. It is important to overcome one own cultural prejudices about right and wrong when one study cultures. When guiding others in developing cultures one should be a “process consultant” rather than an expert on how groups should work.

Every group may learn how to become a group. Schein has defined some measures in order to manage internal integration:

- “Creating a common language and conceptual categories
- Defining group boundaries and criteria for inclusions and exclusion
- Distributing power and status
- Developing norms of intimacy, friendship, and love
- Defining and allocation rewards and punishments
- Explaining the unexplainable – ideology and religion”

Schein is presenting how to conduct a study of organizational culture. The first step in a study is to obtain leadership commitment to the studies. Then he is suggesting conducting group processes. Within a few hours one can get a good approximation of what some of the major assumptions are. According to Schein individual interviews or questionnaires are less useful and also less desirable because they take much more time and are less valid as the outsider does not know initially what questions to ask and the individual does not know how to answer.

“The most efficient and possibly valid way to decipher cultural assumptions is for an outsider to work directly with a group of motivated insiders on a model of artifacts, values and assumptions. This works best when the group has some purpose for conducting the cultural analysis and when there are no special communication barriers in the group that would prevent a free flow of communication.”

One must be cautious in how to interpret other people’s descriptions of the culture. What may seem very obvious to an outsider may make no sense and actually be incorrect. If it is important for the leader to understand her or his own culture, it is essential that she or he participate in deciphering it. However, one should be aware of a recent global study from the National Institute on Aging, in the U.S., which says that the most inaccurate national
stereotyping comes from a country’s own citizens. Perhaps one may find similar stereotyping when members of an organization are studying own organizational culture?

According to Schein leadership plays an important role creating and embedding culture in a group. One of the unique functions of leadership that distinguishes it from management and administration is the concern for culture.

Culture basically springs from three sources;

- beliefs, values and assumptions of group members
- the learning experiences of group members
- new beliefs, values and assumptions brought in by new members and leaders

The factors leaders systematically pay attention to, measure and control will influence the culture. For example some of the most important signals of what leaders care about are sent during meetings and other activities devoted to planning and budgeting. Through these processes the leader may teach the employees to take responsible for their budgets, or the leaders can by detailed questionnaires and controls take all the responsible themselves. Leaders show if they trust their employees or not, - an act leading people to commitment or not.

It is important to recognize that at some point the task of integrating an organization is a problem of how to integrate a variety of subcultures. The leader must therefore be sensitive to different subcultures and develop skills of working across cultural boundaries. “Perhaps the essence of what we call general management is this ability to bring together people from different subcultures and get them working well with each other by encouraging the evolution of common goals, common language, and common procedures for solving problems.”

The culture change issue is different in each stage of the evolution of an organization. Once the culture has stabilized in a mature organization it may requires much effort and time to change deeply embedded assumptions. Some alternatives for changes will not even be understood if they do not fit the old culture, and some alternatives will be resisted even if understood because they create too much anxiety.

However, there are mechanisms which may be used in the total change process for example

\[21\] National Character Does Not Reflect Mean Personality Trait Levels in 49 Cultures, study conducted of Antonia Terracciano and Robert R. McCrae, presented in the October 7, 2005 issue of Science Magazine.
teaching, coaching, changing the structure and processes where necessary, consistently playing attention to and rewarding evidence of learning new ways, creating new slogans, stories, myths, and rituals. New visions are important when people are ready to pay attention.

Schein is discussing that a learning culture must contain a shared assumption that the appropriate way for humans to behave is to be proactive problem solvers and learners. The learning task is a shared responsibility and one needs to value relationships in order to achieve the level of trust and communication that will make joint problem solving and solution implementation possible.

In mature organizations leaders have to identify subcultures and pockets of learning and innovation and systematically reward managers and employees who hold the assumptions that make innovation possible. The leaders must not only have vision, but be able to impose and develop ideas. Clear and consistent message is necessary in order to arrive to a common set of assumptions. The culture creation leaders therefore need persistence and patience. On the other hand, learners must be flexible and ready to change. Leaders must provide temporary stability and emotional reassurance during periods of change, particular in periods when old habits must be given up before new ones are learned. The truly learning leaders may have to face the conclusion that they must replace themselves. Leaders need to listen, to absorb, to search environment for trends, and to build the organization’s capacity to learn. To see and acknowledge the complexity of problems are critical. They may also have the emotional strength to admit uncertainty and to embrace experimentation and possible errors as the only way to learn.

Learning and change cannot be imposed on people.
4.9 Lessons learned – challenges for the NPRAER regarding organizational culture, organizational learning and change management.

This brief dive through a tiny part of the wide range on research and literature on general trends in modernizing organizations, modernizing of public sector and challenges concerning organizational culture shows:

- In order to adapt to the fast changing environment businesses and organizations have to adapt new models and structures which enable them to be innovative and share knowledge in order to create solutions and new products.
- Collaborative communities or partnership, networks, empowered team and horizontal processes are models for tomorrow – they are models which fit well with the organization structure of the NPRA.
- In order to enable people to work in collaborative communities it is important to teach people to trust each other and to create a common language and commitment to new values and performances, and to gain the feeling that they are all working towards a common goal.
- “Sharing knowledge occurs when people are genuinely interested in helping another develop new capacities for actions; it is about creating learning processes” (Senge)
- Collaborative communities and learning organizations are funded on the same principles, and for me Peter Senge’s five core disciplines for learning organizations: systems thinking, personal mastery, mental models, building shared vision and team learning are enablers for developing communities based on trust.
- Communication of principles and values are an important measure to empower employees.
- Some of the recent approaches in order to increase performance of organizations may destroy trust and create fear and competition, it is necessary to change processes and introduce new approaches.
- The public sector must be able to adapt the changing needs of the society without losing coherency of strategy or continuity of governance such as fairness, equity and justice.
Flexible organizations need structures or process mapping that define roles and responsibilities in horizontal flows in order to reduce ambiguity, though it is often expected that people will take responsibility for tasks they cannot really control.

Leaders must be motivators and able to create measures in order to coordinate work and create common goals; they must handle administration, relations and culture building.

Leaders must be communicators and able to handle ambiguity and conflicts.

Employees are often experiencing lack of information. The leaders believe the employees possess more information than they really have. Systems for information flow is particularly important in complex, flexible organizations in order to define who is responsible to inform the different parts of the organization.

Organization culture is particularly important during changes. Argyris and Schön are stressing that it might be necessary to encourage double-loop learning with emphasis on restructuring of values and fundamental assumptions in order to develop organizational learning when an organization is in the middle of a transition.

In change management good knowledge of the culture is important in order to understand how different subcultures have to change basic assumptions, values and behaviors, - it helps to understand resistance to change and to create positive energy on the road to changes.

Schein’s definition of organizational culture: A pattern of shared basic assumptions that the group learned 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 way to perceive, think, and feel in relation to those problems.

Schein is presenting different models for how to conduct a study of organizational culture. The study should obtain leadership commitment and be a part of a development program. Qualitative studies, for example individual interviews, will in most cases give more useful information than questionnaires.

The culture change issue is different in each stage of the evolution of an organization.

Once the culture has stabilized in a mature organization it may require much effort and time to change deeply embedded assumptions. Some alternatives for changes will not even be understood if they do not fit the old culture, and some alternatives will be
resisted even if understood because they create too much anxiety. New visions are important when people are ready to pay attention.

- Learning and change cannot be imposed on people.
- Things Take Time – it takes time to change an organization – it may be useful to define important steps and celebrate milestones during an extensive change process.

Figure 4 Celebrating an important milestone during the construction of the “Viaduc de Millau”
5. Evaluation of organizational culture in NPRAER

5.1 Methodology

Methodology is a measure in order to acquire knowledge of a particular problem. It is important to select a methodology which is relevant for the problems one is studying, and which is possible to conduct in a proper way. It is important to know how valid and reliable the data used are for the actually studies. Is it possible to generalize and make conclusions based on the existing data?

In this thesis I have for different reasons used secondary data. I have used data collected for various discussions, and therefore I must be cautious by generalizing data. One of the reasons for using secondary data is that I am conducting my studies as a “distance employee”, working more than 1700 km from Oslo and Lillehammer. Another reason for using existing data is that there exist many studies which are relevant for these studies regarding organizational culture. Actually there exist so many different studies and evaluations that some of the managers asked me kindly not to implement more studies. They felt that their employees were experiencing fatigue and frustrations because of many studies but little action for changes. The existing studies have been conducted as part of the work on development of organizational culture and behavior, measures in order to improve internal communication in parts of the organization, strategies for personnel recruitment and development, personnel satisfaction questionnaires, general evaluation of the organization and a formal audit of the organizational culture.

In order to evaluate how the new organization fulfils the political and internal goals and principles for the restructuring, a consultant firm is conducting a major survey on the effect of the restructurings the spring of 2006. These studies will show the most important strengths and challenges the NPRA is experiencing related to organizational culture, and the result will be used as basis for adjustment of the organization structure in January 2007. The consultants have posted a questionnaire to all employees, they have posted questionnaire to municipalities and other external partners, they have been conducting group-interviews before and after the questionnaires, and in the end of April they are conducting a group process or dialog-conference with managers and members from the Unions.
Thesis – Culture for change, learning, developing and sharing competence

Study of organizational culture is often used as fundament for organizational changes, and in a world that experiences fast changing organization there exist lots of different literature and guidelines on how to conduct studies of organizational culture. During the work with the thesis I stumbled over a web-site www.leadershipnetwork.no where employees from the NPRA may find useful information about for example culture mapping. However, many of the guidelines on organizational culture are making reference to Edgar Schein’s book “Organizational culture and leadership”. He is presenting a model for clinical research of organizational culture, which shows different level of quantitative and qualitative studies. He is making a fundamental assumption that one can understand a system best by trying to change it. Through different case studies he is presenting how to conduct a study of organizational culture and he is commenting how group processes and group interviews may be an effective and good way to carry out the studies. Schein is making comment on how individual interviews and questionnaires may be less useful than group processes, because they are time consuming and an outsider/process consultant does not always know what to ask for or how to interpret the answers. The NPRA has experienced some of these challenges in the conducting of the yearly personnel satisfaction questionnaires. The employees find it hard to understand how to answer the questionnaires, and therefore it is difficult for the organization to interpret and make use of some of the results. By conducting group processes the participants will correct each other and help the process consultant to understand the artifacts, values and assumptions.

My thesis is not a part of the “authorized work” concerning evaluation and adjustment of the organization, but the leader group of NPRAER knows about the studies and some of the managers in NPRAER and colleagues from the directorate have given me valuable input and corrections to the studies. These collaborators have also had an important role providing information about different existing studies. As a supplement to these studies and contacts I have also studied information at the intranet and reviews from meetings in order to decipher the organization’s culture.

I have been focusing on the sections that are dealing with planning and building of new infrastructure, traffic planning and land use planning. However, the challenges concerning learning organizations are global for the Norwegian Public Roads Administration.
5.2 Evaluations of the new organization

In the introduction to this thesis I was briefly presenting some of the challenges the NPRAER has experienced during our change process. I mentioned challenges or threats regarding communication, leadership, visions and sharing of competences – all dimensions which are fundamental to a learning organization or a collaborative community. In this chapter I will present some of the background material for these evaluations.

I did also claim that organizational cultural could have been used in a more proactive way in the change processes of NPRA, and that

“There is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization.”

In order to discuss this statement I have developed the following hypothesis:

1. “Today NPRAER has an organizational culture hurt by fear and competition and poor feeling of community – which calls for improved communication and leadership.”

2. “NPRAER needs an organizational culture based on trust, empowered teams, efficient protocols and structures for process mapping – a collaborative community.”

In this chapter, I have summarised some evaluations of the new organizational structure. In Appendix 2 – 6 you can read more comprehensive summaries of five important evaluations/reports:

- SWOT-analysis conducted in NPRAER one year ago as part of work on developing common rules for behaviour in the Eastern Region.
- Report on communication in the Resource Unit (NPRAER).
- The PUMA-project
- Report on strengths and challenges regarding organization structure, culture, management and work-methods
- Audit of the work regarding organizational culture in NPRA
Challenges concerning location of head-office and transforming five different subcultures to one common culture

The politicians took the last word when they decided the location of the new regional offices. The result of the locations may be good for the NPRA in long terms, but the location of the head-offices in the outskirts of the regions have been stressful the first years. It has been difficult to hire right people in right positions, and some key-people feel exhausted because of too much travelling. The location of head-office has probably also caused some extra tension within the organization due to internal conflicts between groups of employees with different experience. Transforming of five different subcultures to one common culture takes time and energy, particular because the challenges and the work situation were very different in the subcultures before the merge to one entity. It takes patient and effort to improve shared mental models and to build shared visions.

Leader-spa\nand a wide range of different organization structures

In May 2005 the Directorate published an interesting report which analyse the use of human resources and the level of direct approach for the new managers in NPRA 22. The analysis confirms that the change of organization has created larger leader-span than usual in organizations. In average, each manager in the Eastern Region has more than 16.5 direct approaches, and 50 percent of the employees have to share their managers with 20 or more colleagues. In general, the experience of too large leader-span is reduced effectiveness and reduced quality on services. The NPRAER will have to analyse how the large leader-span influence our organization, and if necessary find ways to compensate difficulties due to challenging leader-span.

Another challenge concerning management in the new organization is distance management. Many of the employees do not have a local leader. This situation causes challenges regarding whom and how the employees are taken care of both in personnel matters, social integration and supervision of tasks.

The analysis presented of the Directorate expose another challenge for the NPRA, - there exist a wide range of different organization structures throughout the country. The situation might be a picture of an organization that has adapted very well to local challenges, but it is quite

interesting in a situation where the organization in other means are striving towards standardization and specializing. A wide range of different organization structures may be a challenge when the organization is struggling in order to communicate common values.

**SWOT-analysis executed as a part of work on common rules for behaviour (Appendix 2)**

The analysis shows that the employees in many ways are satisfied with their work situation. People are happy because of the work environment; they have interesting and challenging tasks, availability of resources and technology, a large network of well skilled colleagues, culture for cooperation and sharing and developing of competence and good social networks.

However, the employees experience many weaknesses and threats to the organization. For example: fear of further privatization of public sector, lack of leadership and common identity, undefined roles and responsibilities, lack of cooperation and sharing of competence, internal conflicts/disputes, insecurity and problems due to reduction of work force, turnover management (35% of the employees>55 years) – many high qualified seniors will leave the organization the next years, stress because of to much focus on cost-effectiveness. The employees are afraid that the good working environment, concerning both competence and social conditions may disappear. They are concerned because of the lack of feedback and availability of managers and continuous transitions of the organization.

**Report on communication in the Resource Unit NPRAER (Appendix 3).**

The study is a following up of the Questionnaire on Employees satisfaction conducted in 2004. About 10 percent of 250 employees have been interviewed. The main purpose of the study has been to identify measures in order to improve the internal communication in the Resource Unit, and to identify if the reason for dissatisfaction in the organization is due to lack of communication or general dissatisfaction with the change of the organizational structure of the company.

The employees of the Resource Unit are probably the group of individuals who have experienced the biggest structural changes because of the transition of the NPRAER. The Unit has nine different sections and the employees are located in many different geographical sites in the region. All the individuals reports to one section manager concerning personnel matters, but they do all report to other managers concerning the content and execution of their assignments. Some of the employees have projects for several managers and they have to
adapt many different ways of communication in order to fulfil their tasks. Many of the members of this group are not located at the same site as their manager, - they experience piloting in distance-management. They have had to adapt many new ways in order to execute their jobs, and they are probably some of the individuals who in certainty experience the challenges concerning high focus on cost-effectiveness.

There are large differences in the employees’ abilities to adapt to the new challenges, and some of the respondents have adopted very well. The conductors of the study have “identified” three different categories of employees:

- The “old disillusioned man” who has been working for the NPRA for 15 – 40 years. He is very attached to his job and proud of his skills, but has not been able to adapt to the new organizational structure. He has difficulties in accepting new routines for information flow and management.

- The “mature, self managing person” who has worked for the NPRA in many years. He/she has great interests in their field and their jobs are important to their self-esteem. This category of employee has been able to adapt to the new structure in many ways, and they do to a certain extent experience an improvement of their work situation due to a larger network in their field. Nevertheless, they are concerned about the future of the organization because of the lack of policies concerning recruitments and seniors, and the absence of communication with the management at regional and national level of the organization. They miss their old communication-lines to strategic information.

- The “young competent person” who has worked for the NPRA for a few years. He/She experience the NPRA as an organization with great opportunities. They adapt well to the new situation, though they would have appreciated better communication with the management. They accept the need for transformation, and they prefer a focus towards the future.

Despite the frustration some of the individuals experience in their new work situation, nobody wants to go back to the old organizational structure. Some experience better work-conditions because of new structure and membership of a bigger entity. They feel they have better possibilities to develop skills and competences in the new organization.
However, the study shows the need for improvement of communication throughout the organization. The workers desire better communication with the managers about how to solve their assignments and questions regarding personnel matters. This is a great challenge to the organization due to the desire for a flat structure and few levels of managers. Each manager has to deal with a large group of employees (20 – 35 people), and there is a gap between the employees desire for contact and the possibilities they will have for contact. The fact that managers and employees are located in different geographical sites make the situation even more challenging.

The most important findings in this study are probably the very direct communication to the management of higher level in the organization. People seem to be very frustrated because of the lack of communication of major strategies. They miss a “leading star” who in a common way communicates which direction we are heading. Communicating involves two ways information flow. The employees feel that they lack the possibilities to influence the management level. The management seems to be absent for the majority of the employees.

**The PUMA-project (Appendix 4)**
The PUMA-project is a project established in order to create a network for younger employees of the Norwegian Public Roads Administration (NPRA). The main purpose of the project is to ensure that the organization will be an attractive employer for youth in the future and that the organization will be able to keep today young and well-qualified employees.

By using a solution-orientated approach, the project has identified several measures in order to develop the organization. First participates in a seminar had to answer the question “How does this organization look in five years in order to be attractive for you?” Then participates had to answer two questions about positive and negative circumstances they are experiencing regarding job-satisfaction. On this basis, they created proposals for policies for:

- Recruirments and keeping employees
- Management
- Better utilisation of the resources

Positive circumstances:

- Interesting, challenging and variety of assignments creates work-enthusiasm
Thesis – Culture for change, learning, developing and sharing competence

- Good work-conditions, flexibility, welfare benefits and enough resources to execute tasks.
- A large network of skilled colleagues. The employees are trusted; feel that they are given responsibility and flexibility in order to solve their tasks. The employees feel that they can influence their own work situation.

Negative circumstances:
- The respondents feel that some people’s dissatisfaction with the new structures is very negative for the work environment.
- The lack of diversification of the employees, due to age, gender, education, lack of recruitments
- The change process has not been conducted in a good way. People feel insecure and experience lack of communication.
- The lack of focus on competence development. Competence does not pay off for the employees.
- Internal conflicts in the organisation influence prosperity, quality and efficiency.
- The lack of efficiency in solution-processes.

The most important key words for happy employees are good, visible and engaged management. The young employees appreciate variations and interesting work tasks, flexibility, engaged and profiled management, good and including social environment, emphasis on competence development, new technology and tools, communication – good at all levels (internal and external) and competitive pay.

Important skills concerning leadership are ability to conduct individual and flexible leadership (i.e. understanding the employee needs in the accurate situation), empowerment, identifying and developing of high potentials, emphasis on management and leadership as a profession, arrangement of proper work conditions and communication of expectations between managers and employees.
“Byggherreprosjektet” – a national strategy in order to standardize our role as a professional developer of the road network

There exists a project in order to standardize the role of NPRA concerning our role as a professional developer of the road network. This project has discovered that there are lots of possibilities for improvement concerning standardization. It seems like there are a culture for individual solutions in the organization.

This project has revealed lots of knowledge about challenges and needs for development of the organization and should be used as a fundament for people who work on improvement of the organization, not only the people in charge of building projects.

The project has proposed actions concerning for example implementation of the new management systems, several programs for education of the work force, programs for recruitments and programs for competence-sharing (projects as major way of organizing the work, network-groups in order to share information and develop new solutions and the use of a web-site to publish knowledge and reports (“erfaringsdatabasen”)).

Report on strengths and challenges regarding organization structure, culture, management and work-methods. (Appendix 5)

The change-project team in the Directorates of Road published in March 2006 a report on strengths and challenges regarding organization structure, culture, management and work-methods (Prosjektrapport – erfaringsinnhenting). The report is the first major evaluation of the restructuring of the NPRA. The change-project team have been conducting group-interviews with managers from all regions and the directorate, and representatives from the unions and the PUMA-network.

The main purpose of the studies has been to:

- Gather information about the most important challenges in the NPRA regarding organization, leadership and work-methods
- Give attention to and share information regarding successful and significant initiatives

The report shows that the organization has benefits from transformation to larger units regarding better coordination, prioritising and utilisation of resources, specializing, larger

\[^{23}\text{På veg-prosjektet, Vegdirektoratet}\]
network of employees and more job-options and flexible use of employees. The report claims there is more focus on leadership and empowerment of employees.

The report has identified challenges concerning subcultures, lack of “corporate” organizational culture, problems by recruiting right competence to the head-offices, redefining of roles and responsibilities, reduction of manpower, leader span, management of “distance-workers, more strict management of tasks, need for horizontal process maps, information flow.

**Audit of the work regarding organization culture in NPRA (Appendix 6)**

The audit conducted of the Internal Audit Secretariat focused at:

- activities conducted concerning organizational culture and organizational climate
- values we want the employees to follow
- culture for “voluntary behavior”

The audit showed few coordinated activities concerning organizational culture for the NPRA as a whole, except management-training, since the reorganization. However, the different regions have conducted activities in order to merge the different subcultures in their regions.

Despite the focus on the NPRA values and ethics in the regions work on organizational culture, - 40 per cent of the employees respond that they do not really know the NPRA values and 45 per cent of the employees respond that they do not really know the ethical guidelines of NPRA.

“Voluntary behavior” may be evaluated both positive and negative. In the NPRA it has mostly been used as a negative term concerning employees opposing orders or rules, employees spending time and resources on activities which are not official prioritized, employees fighting decisions etc. However, in the future one may take into consideration that inquiring behavior may be an important contribution or qualification for organizational learning.

The Internal Audit Secretariat has identified areas for improvement and proposals for activities concerning organizational culture, strategy for implementation of NPRA values and ethical guidelines. Their work illustrates the need for more effort on issues related to organizational culture, including better control and management of resources used on surveys.
Thesis – Culture for change, learning, developing and sharing competence

and evaluations concerning organizational culture, job-satisfaction, work-environment etc. Too much resources is today spent on this kind of activities – without the results being used for the best of the organization.

One part of the audit on organizational culture was a survey on organizational climate. The survey is conducted by use of the Creative Climate Questionnaire developed of Dr. Göran Ekvall, a Swedish organizational climate researcher. The organization’s climate refers in this setting to “the recurring patterns of behaviour exhibited in the day-to-day environment of the organization, as experienced, understood, and interpreted by the individuals within the organization.”

The survey in the NPRA was conducted by questionnaires to 15 per cent of the employees (c 725 employees) in the spring of 2005.

Figure 5 shows that the NPRA for most of the dimensions have values between the stereotypes for innovative and stagnating organizations. This is quite interesting for a governmental bureaucracy which has many employees whose work consists of safeguarding of regulations. In further work on organizational climate it may be interesting to analyse differences in score for people with different responsibilities and work-tasks.

Figure 5. Climate profile for the NPRA compared to innovative and stagnating organizations

24 En undersøkelse om klimaet i Statens vegvesen, utført av André Kempe, som del av masterstudier våren 2005
Thesis – Culture for change, learning, developing and sharing competence

The NPRA scores are rather high regarding trust and openness, challenges and playfulness, -dimensions which I believe are important in a learning organization. However, possibilities to develop ideas seem to be rather low. This may be a result of the focus on cost-effectiveness. Perhaps this is circumstances which may be changed in strive for a learning organization.

Figure 6 shows the scores for the different units – the regions and the Directorate. There are significant differences between the regions/Directorate. The Directorate and the Northern Region seem to have the best climate for innovation. The reason why the Directorate have the best score on climate may be a result of the work tasks. The Directorate are supposed to develop new strategies and policies, while the regions are supposed to carry out the strategies and policies.

![Figure 6. Climate profile for the different regions and the Directorate](image)

The Personnel Satisfaction Survey
As part of the management-processes connected to the NPRA’s Balance Score Card the organization is conducting a large Personnel Satisfaction Survey every year. The survey covers questions concerning interesting and challenging job-situation, possibilities for
Thesis – Culture for change, learning, developing and sharing competence

development, accessibility to necessary tools, work load, feed-back from leaders, communication, possibilities to influence decisions, motivation, trust etc.

The results from the last years’ surveys show that people are satisfied with the job-situation. They find that they have interesting and challenging assignments, good work-conditions, and large network of skilled colleagues who want to share knowledge. However, the employees are not satisfied with the communication connected to the transition of the organizations. They feel a bit stressed because of the work-load, and they do not trust the management.

5.3 Discussion of hypothesis

Hypothesis 1:

“Today NPRAER has an organizational culture hurt by fear and competition and poor feeling of community – which calls for improved communication and leadership.”

The evaluations summarised in chapter 5.2 shows that the employees experiences challenges concerning:

- General need for improvement of communication throughout the organization
- Lack of feedback and availability of managers – the leader-spans feels to large
- Utilisation of resources – right person in right place
- Lack of communication of major strategies – we miss a “leading star”
- The top-management seems to be absent for the majority of the employees – how can individuals influence top management
- Turnover management – how to transfer knowledge from the people who are leaving the company
- High focus on cost-effectiveness

The analysis does also show that the employees in many ways are satisfied with their work situation. People are happy because of the work environment; they have interesting and challenging tasks, availability of resources and technology, a large network of well skilled colleagues, culture for cooperation and sharing and developing of competence and good social networks.
However, the employees experience many weaknesses and threats to the organization. The SWOT-analysis, the report on communication in the Resource Unit and the PUMA-report do all show that the employees have worries concerning the future work environment. All the reports show challenges concerning leadership and communication.

I believe NPRAER has an organizational culture hurt by fear, uncertainty, competition and poor feeling of community – which calls for improved communication and leadership.

In the future work on development of the organization it is important to dive into the details concerning culture. For instance, it is interesting to note that the younger employees do not experience the same amount of fear as the older generations.

The general need for improvement of communication may be a symptom of more competition in the organization. Some individuals tell that they feel people are safeguarding more information now than before the restructuring, - perhaps because they want to protect their territories?

Hypothesis 2:
“NPRAER needs an organizational culture based on trust, empowered teams, efficient protocols and structures for process mapping – a collaborative community.”

Peter Senge has defined five core disciplines for learning organizations: systems thinking, personal mastery, mental models, building shared vision and team learning. I believe these disciplines are enablers for development of trust, empowered teams, protocols and structures for process mapping – all important characteristics for a collaborative community.

I believe it is necessary to work towards a collaborative community in order to handle the future challenges of NPRAER. One of the reasons for this is the measures employed in order to make the organization more effective:

- Removing level of management
- Decentralizing of leadership
- Resource units with matrix-organization
The organizational structure of NPRAER fits well with ideas of partnership, networks, empowered team and horizontal processes. However, it is necessary to develop the individual’s personal mastery and mental models. It is necessary to learn more about teamwork, and the organization will have to put much effort into building shared visions as fast as possible.

We know that the NPRAER will have to compete in order to get enough well qualified employees in the future. It is therefore important to develop an innovative and future orientated organization with high motivated people.

**Major hypothesis:**

“There is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization.”

The discussion above shows that there is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization.

Paul S. Adler comments that it may be very difficult or almost impossible to change an organization which may be classified as a coercive mechanistic culture with high degree of bureaucracy and low trust to an organic culture with low degree of bureaucracy and high trust, see table 2 page 19.

I believe that the NPRAER today may be classified as a coercive mechanistic culture, but I think it is possible to develop the organization toward an organization based on high trust/community, and a medium level of bureaucracy – an organizational culture with high trust and empowered employees.

The organization has adopted some measures regarding bureaucracy, decentralizing of leadership and flexible organizations which supports the ideas of collaborative communities and learning organization. Perhaps we have already started to move towards an organization with high trust? However, the organization has not been aware of how to provide enough trust and feeling of security in the new organization. In my opinion we do not have a pattern of shared basic assumptions, we do not have a common language and we do not have the feeling that everybody are working towards common goals.
By studying the reports in chapter 5.2 you will find that the employees identifies many of characteristics for a learning organization when they talk about the strengths of the organization, but they are experiencing challenges concerning trust, leadership and communication. It is important to remember and ensure that the employees will be satisfied with their work situation also in the future! It is also interesting to discover that the younger employees do not possess the same fears or feeling of insecurity as the older people. In further development of the organization it is important to emphasize the future concerning implementation of new work methods, and employ other measures to comfort the older generations who perhaps would prefer to do things like they have always done. Perhaps the change of generations, if conducted in a clever way, may be a catalyst for change of culture.

You do not transform an organizational culture just by drawing a new organization chart. Things Takes Time. It takes time to develop mental models and to build shared vision. Perhaps the NPRAER may be able to transform rather fast because of the change of generations, - hopefully we do not have to “unlearn” the new employees but we can teach them new values, processes and skills for teamwork from day 1.

Nevertheless, it will be important to define some important steps on our way and celebrate when we reach the steps. Today the employees are frustrated because of lack of common goals and values, but lack of fulfilling spoken goals and values may be even more demoralizing. It is important that we all believe in our new goals and values, and that it makes a difference if they are used or not.
6. Conclusions and recommendations – how to develop a collaborative community

The NPRAER are experiencing challenges regarding organizational culture. The culture must be developed because of the huge transitions concerning organizational structure, and the stress felt because of the fast changing surroundings in general and the continuously modernization of government in particular. Evaluations show challenges concerning development of “corporate” culture after the merge of several subcultures and change of responsibilities between the Directorate and the lower levels.

Today there is a great lack of technologists in Norway, so the NPRAER have to compete hard in order to recruit personnel. This is another reason why it is important to develop a collaborative innovative community which attracts well skilled and highly motivated people.

I have in the discussion of the hypothesis showed that there is a gap between today’s culture and the culture we need and wish to develop in order to function as a learning governmental organization. But I believe it is possible to develop a collaborative community with high trust and empowered employees. The evaluations of the organization show that the employees are experiencing positive qualities regarding the work situation. People are happy because of the work environment; they have interesting and challenging tasks, availability of resources and technology, a large network of well skilled colleagues, culture for cooperation and sharing and developing of competence and good social networks. But they are worried because of lack of communication throughout the organization, leadership, turnover management and high focus on cost-effectiveness.

The organization has adopted some measures regarding bureaucracy, decentralizing of leadership and flexible organizations which supports the ideas of collaborative communities and learning organization.

In February 2006 the Executive Meeting of the NPRA was discussing a report conducted of the Internal Auditing Secretariat regarding work connected to organization culture in NPRA. They were commenting that organizational culture and process-systems for management are
Thesis – Culture for change, learning, developing and sharing competence

connected, and proposed that the implementation of the management-system will be the most important programme for further development of organizational culture, particularly in order to ensure a comparable culture throughout the country. They will focus on how to communicate orders and how to show responsibility. Work regarding organizational culture is an important mission for leaders according to the executives.

I believe the work on management-system is important for the organizational culture. For instance, the work on process mapping that defines roles and responsibilities in horizontal flows which are already started. Process-mapping will be an important measure in order to handle the mismatch between responsibility and authority which explains some of the frustrations people from the Resource Unit are experiencing in NPRAER.

But our organization has a bad tradition. We are not clever enough to use all the management-systems and routines we are implementing. Too often people invent their own systems. It is therefore extremely important that the managers show responsibility and take action if the organization does not use the management-systems. Response to unfavourable performance is an important way to influence people’s mental models.

I do not believe that implementation of management-systems and better guidelines for leaders will be enough in the further work on organizational culture. It is important to spend time on activities in order to build shared vision and to practice on team building skills. There will also be need for activities in order to reduce insecurity. The most important activities in order to reduce insecurity are probably to ensure that all employees are members of strong social and professional networks. It is important that everybody have someone with whom they can discuss both social and professional matters. Relations are important for people who experience big changes.

It is interesting to discover that the younger employees do not possess the same fears or feeling of insecurity as the older people. In further development of the organization it is important to emphasize the future concerning implementation of new work methods, and to employ other measures to comfort the older generations who perhaps would prefer to do things like they have always done. Perhaps the change of generations, if conducted in a clever way, may be a catalyst for change of culture. The NPRA are just about to implement two important programs for young employees; an introduction program (Ung- prosjektet)
Thesis – Culture for change, learning, developing and sharing competence

which focuses on the basic management-systems and skills for teamwork etc, and a recruitment- and trainee program. These projects might be very valuable in order to teach the new employees desirable behavior, skills for teamwork, values and shared assumptions as soon as possible.

There has been conducted several pilot-projects on how to enhance teamwork in NPRA. It is important that people start using the good examples which exist inside the organization. There is great potential for better learning from activities conducted by colleagues. The employees should be motivated to start using existing knowledge-databases, both for sharing and gaining information and knowledge. The employees needs better skills in order to become professional specialists and coaching and empowerment will become more important in order to handle the new structures.

The studies on organizational climate show that we are a rather innovative organization. “Voluntary behavior” may be evaluated both positive and negative. In the NPRA it has mostly been used as a negative term concerning employees opposing orders or rules, employees spending time and resources on activities which are not official prioritized, employees fighting decisions etc. However, in the future one may take into consideration that inquiring behavior may be an important contribution or qualification for organizational learning.

We have to focus more on the individuals and the community. It is important to develop a community based on trust. I believe we have to discuss what trust is, and how to develop the individuals and the organizations’ confidence to be able to gain and show trust. Our organization is responsible for a wide range of tasks, - the different tasks needs different approach and knowledge. It is a challenge to define the need for a common corporate culture for the whole entity, - and at the same moment accept the need for adjusted culture for the different fields in the organization.

In a period when people may feel ambiguity because of the changes, the role of the scapegoats is important. That is an important role for the leader, - and the low score managers get regarding trust in the personnel satisfaction surveys may be explained by the need for a scapegoat in a difficult period. The management and the employees have shown high motivation regarding the changes. In future changes it will be important to invest more in assignments regarding organizational culture.
Thesis – Culture for change, learning, developing and sharing competence

Change processes takes lots of energy and time. In the future we should spend more energy and time on defining important milestones for the change programs. Perhaps one measure should be to inform the employees to stay calm, because they will not experience all the desired changes during the first part of the change period. Things Take Time.

A good start in order to develop a collaborative community based on trust will be to start using the guidelines for desirable performance which NPRAER stated in April 2005:

- I share my competence with others and search for and make use of new knowledge
- I contribute to decision making and work for implementation of the decisions
- We talk to each other, not about each other. I give honest and constructive feedback and receive feedback in the same manners.
- I show that I am able to understand our customer’s needs and I am looking for constructive solutions.
- I am not afraid to ask for help and to give help – in time.
- I contribute to arrive at and celebrate milestones.

When all the employees know and use these guidelines for performance we can celebrate a huge milestone!

Figure 5 Celebrating the final milestone for the Bridge over Millau
7. References


3. “Rethinking the Future”, Rowan Gibson (Editor), Nicholas Brealey Publishing Limited, 1997


8. ”Endringsledelse i det offentlige”, Tor Busch, Erik Johnsen, Jan Ole Vanebo, Universitetsforlaget, Oslo 2003.


10. www.leadershipnetwork.no


13. “L’enterprise Apprenante: de la gestion des connaissances aux relations interindividuelles” Bertrand Moinegeon’s lecture HEC 5 octobre 2005


22. ”Strategisk kompetanseutvikling”, Statskonsult, mars 2001

Reports and statements from the Norwegian Public Roads Administration
1. www.vegvesen.no + intranet


3. ”Revisjon av kulturarbeidet i Statens vegvesen”, ELM 23.02.06 sak 2.3. (“Formal audit of the work regarding organizational culture in NPRA”)

4. “En undersøkelse om klimaet i Statens vegvesen”, André Kempe, 31.05.2005


6. ”Utprøving av teamorganiseringsmodeller”, Pilotprosjekt Region Midt, Ingunn Elnan, Kari Gystad, Hanne Botten, 16.03.06

7. ”Verktøykasse – Medarbeiderundersøkelsen 2005”

8. ”Evaluering av tungbilkontrollprosjektet i Region Sør”, Margunn Bjørnholt, 30.03.2006


10. ”Styring av prosesser i Statens vegvesen”, Notat datert 19.10.2005

11. ”Erfaringsoverføringsprosjektet”, Østlid, Teknologiavdelingen, Vegdirektoratet

12. ”Effektivisering av kompetanse og kompetanseutvikling”, Dunham, Teknologiavdelingen, Vegdirektoratet, 21.08.04

13. ”Kunnskap og utvikling i vegvesenet, VOTT”, Wiggo Knudsen, personal, Vegdirektoratet, desember 2004

14. ”Kontrollspenn og ressursbruk i SVV, - gjennomgang av nøkkeltall for bemanning”, Wiggo Knudsen, personal, Vegdirektoratet, mai 2005

15. ”Referat fra seminar om bedriftskultur i Statens vegvesen”, 2.april 2005


18. ”Rammer og prinsipper for organisering av Statens vegvesen – revidert etter behandling i Hovedavtalemøtet den 28.06.2002”

19. Organisasjon og ledelse i ”det nye Vegvesenet” – arbeidsgruppe ledelse (AGL)

20. ”3 år er gått – innlegg på ledersamling Gardermoen november 2005”, Lene Mürer leder for arbeidsgruppe ledelse (AGL)


22. ”PUMA - Passe Ung – Mer Attraktiv, Rapport fra idéseminar Tydal 12. – 13.april 2005”

Reports and statements from Norwegian Public Roads Administration Eastern Region

1. Notater og referater fra arbeidet med Strategisk kompetanseplan


3. ”Økt gjennomføringsgrad av planprosjekter i Stor-Oslo”, notat datert 11.07.2005

4. ”Arbeidsflyt mellom PUDT-seksjonene: forslag til organisering av prosessene – LMSO sak 39/05”

5. Styring og ledelse av utbyggingsprosjekteri Region øst, se Plan og utbygging - intranett

6. ”Utkast til rapport om intern-kommunikasjon i Ressursavdelingen”, Kjersti Salvesen og Erik Larsen, Info, desember 2005

7. ”SWOT-analyser – utført i seksjoner innenfor plan- og byggeherreområdet i Region Øst vinteren 2004/2005”

8. ”Organisasjons- og bemanningsplan for Region Øst 01.01.2005”
Appendix 1

The Norwegian Public Roads Administration

Vision:
On the road to a better society

The objective of the Norwegian Public Roads Administration:
To develop and maintain a safe, eco-friendly and efficient transport system. This is being done on a sound, professional basis by interacting with politicians, users and other interested parties.

Values:
We want to

- take responsibility and show trust
- be open and customer-friendly
- be open-minded and create job satisfaction

www.vegvesen.no
SUMMARY SWOT-ANALYSIS

Last year all the sections of the NPRAER conducted SWOT-analysis in order to improve the common culture. The purpose of the SWOT-analysis was to give a picture of how the employees evaluated the culture and work-environment as a basis for developing of common rules for behaviour. As a result of this work the management published following statements for desirable performance in April 2005:

- I share my competence with others and search for and make use of new knowledge
- I contribute to decision making and work for implementation of the decisions
- We talk to each other, not about each other. I give honest and constructive feedback and receive feedback in the same manners.
- I show that I am able to understand our customer’s needs and I am looking for constructive solutions.
- I am not afraid to ask for help and to give help – in time.
- I contribute to arrive at and celebrate milestones.

As a part of my work with the action plan for culture for change, learning and developing competence I have used a selection of the analysis in order to summarise how the employees in the field of planning and building of infrastructure evaluate the organization. Though the analysis are not made in order to describe the culture for change, learning and developing competence in particular, they do give a good indication of strengths, weakness, opportunities and threats concerning this matter.

Strengths:

- Good work environment
- Prosperity
- A large network of well skilled employees
- Culture for valuating and developing of competence
- Culture for cooperation and sharing of competence
- Open-minded and enthusiastic
- Trust, responsibility and independence
- Loyalty
• Proud
• Interesting and challenging tasks
• Availability of resources and technology

Weakness:
• Lack of leadership
• Undefined roles and responsibilities
• Lack of common identity
• Lack of loyalty to the objects of the organization. Too many people work in order to satisfy their own agenda.
• Internal conflicts
• Lack of cooperation and sharing of competence
• Turnover management. Lack of diversify. High average age.
• Insecurity and problems due to reduction of work stock.
• Too many tasks compared to available resources to do the work.
• Lack of competence development
• Lack of feedback and availability of managers
• Lack of proper communication

Opportunities:
• Implementation of a more distinct profile, better leadership
• Further development of the organization structure
• More effective work methods and utilisation of resources
• Availability of resources
• Competence development
• Enlarged and improved technical networks
• Recruitment of new competence/improved turnover management
• Cooperation
• Proudness and loyalty

Threats:
• Privatization
• Insecurity and problems due to reduction of work force.
• Continuous transitions of the organization
• Geographic distances
• Turnover management. Lack of diversify. High average age.
• Lack of loyalty to the objectives of the organization. Too many people strive only to satisfy their own agenda (needs).
• Internal conflicts
• Lack of feed back and availability of managers
• Lack of proper communication
• Lack of leadership
• Undefined roles and responsibilities
• Lack of loyalty in general
• Destruction of a good working environment, both concerning social conditions and competence.
Appendix 3

Summary – REPORT ON COMMUNICATION IN THE RESOURCE UNIT, THE NORWEGIAN PUBLIC ROADS ADMINISTRATION EASTERN REGION (NPRAER)

In 2005 the Strategy department has conducted a study of questions concerning information and satisfaction on behalf of the Resource Unit in the NPRAER. The study is a following up of the Questionnaire on Employees satisfaction that was conducted in 2004. About 10 percent of 250 employees has been interviewed. The report is not published at this moment (December 2005).

The main purpose of the study has been to identify measures in order to improve the internal communication in the Resource Unit, and to identify if the reason for dissatisfaction in the organization is due to lack of communication or general dissatisfaction with the change of the organizational structure of the company.

The employees of the Resource Unit are probably the group of individuals who have experienced the biggest structural changes because of the transition of the NPRAER. The Unit is organized in 9 different sections and the employees are located in many different geographical sites in the region. All the individuals reports to one section manager concerning personnel matters, but they do all report to other managers concerning the content and execution of their assignments. Some of the employees have projects for several managers and they have to adapt many different ways of communication in order to fulfil their tasks.

There are large differences in the employees’ abilities to adapt to the new challenges because of rather complicated organizational structures. Some of the respondents have adopted very well. They do not have any difficulties in collecting the information they need in order to feel integrated in the new organization. They have been able to create new social and technical networks. Others have a hard time to get the information they need in order to do their jobs, and they find it hard to understand how their assignments influences the company’s performance. Some people feel that they are left by themselves and they experience lack of feedback. The organization has challenges concerning social structures and the flow of key-information in order to perform.
The conductors of the study have “identified” three different categories of employees:

- The “old disillusioned man” who has been working for the NPRA for 15 – 40 years. He is very attached to his job and proud of his skills, but has not been able to adapt to the new organizational structure. He has difficulties in accepting new routines for information flow and management.

- The “mature, self managing person” who has worked for the NPRA in many years. He/she has great interests in their field and their jobs are important to their self-esteem. This category of employee has been able to adapt to the new structure in many ways, and they do to a certain extent experience an improvement of their work situation due to a larger network in their field. Nevertheless, they are concerned about the future of the organization because of the lack of policies concerning recruitments and seniors, and the absence of communication with the management at regional and national level of the organization. They miss their old communication-lines to strategic information.

- The “young competent person” who has worked for the NPRA for a few years. He/She experience the NPRA as an organization with great opportunities. They adapt well to the new situation, though they would have appreciated better communication with the management. They accept the need for transformation, and they prefer a focus towards the future.

Some of the tools that are proposed in order to improve the situation are an improved intranet-site, in order to make it easier for the whole work force to find relevant information. There are also proposals about how to improve the structure of meetings and face-to-face communication. The most important finding is probably the desire for better communication with the managers in charge of personnel matters. (Though, - I will in the future ask if this circumstance really is a need for more communication with their managers, or perhaps there exists different ways in order to satisfy the peoples’ need for network and feedback. I believe we will have to spend more energy on discussing models for feedback and communication, and it is necessary to confirm each others expectations to another.)

Despite the frustration some of the individuals experience in their new work situation, nobody wants to go back to the old organizational structure. Some of the individuals experience better work-conditions because of new structure and membership of a bigger entity. They feel they have better possibilities to develop skills and competences in the new organization.
The study shows the need for improvement of communication throughout the organization. As mentioned above, the employee’s desire better communication with the section manager’s level concerning personnel matters and how to solve their assignments. This is a great challenge to the organization due to the desire for a flat structure and few levels of managers. Each manager has to deal with a large group of employees (20 – 35 people), and there is a gap between the employees desire for contact and the possibilities they will have for contact.

The most important findings in this study are probably the very direct communication to the management of higher level in the organization. People seem to be very frustrated because of the lack of communication of major strategies. They miss a “leading star” who in a common way communicates which direction we are heading. Communicating involves two ways information flow. The employees feel that they lack the possibilities to influence the management level. The management seems to be absent for the majority of the employees.
SUMMARY PUMA-PROJECT

The PUMA-project is a project established in order to create a net-work for younger employees of the Norwegian Public Roads Administration (NPRA). The main purpose of the project is to ensure that the organization will be an attractive employer for youth in the future and that the organization will be able to keep today’s young and well qualified employees.

In April 2005 a seminar took place. The purpose of the seminar was to give input to the management about how the younger employees experience the organization, and to give some proposals on measures in order to develop a good future workplace.

The approach at the seminar was solution-orientated. First the participants (all less than 40 years) answered the question “How does this organization look in 5 years in order to be attractive for you?” The answers emphasis in an indirect, but good way, necessary measures in order to improve the organization. Desired qualities:

- **Variations and interesting work-tasks.** The organization knows how to develop and utilise their employees. The organization utilise appraisals, coaching, career orientation reviews and mobility in order to satisfy the needs of both the employees and the employer. A good structure of networks and social and technical meeting places gives the employees social security and enables them to execute their work in good manners.

- **Policy for payment.** A new policy for payment that gives credits to alternative career possibilities.

- **Engaged and profiled management.** The managers have good management skills, and appraisals and coaching are important tools in order to develop both employees and management. Empowerment is important, and the management structure is dynamic. Technical and managements leaders are both valued in the organization, - and it is accepted that they have different responsibilities. Safety/trust, open mindedness, respect, loyalty and learning are important values of the organization. The teamwork is good, and the individuals and the organization are in continually development.

- **Flexibility.** There exist policies in order to satisfy different needs depending on life situation. Focus on management by objectives and availability when needed.
• **Good, including social environment.** All members of the organization are responsible for the environment. Some measures have been particularly important for the environment: open mindedness, respect, “waterholes”, diversified background and age, enough resources to execute the assignments, pride of the work of the organization and welfare benefits.

• **# 1 on developing competence.** There exists a strategic competence plan for the NPRA, and all the individuals have their own career orientation programs that are reviewed frequently. There are good opportunities for further education, national and international mobility, and diversified tasks. There is a good mix of employees concerning education background and age. There exists good opportunities to develop competence through the execution of assignments, mentors and the focus on development of competence.

• **New technology and tools.** NPRA assess the latest of technology and tools, and there are good programs for teaching the employees to utilise the equipments.

• **Communication – good communication at all levels, inside and outside the organization.** The organization has a good strategy for communication. It’s able to communicate how the organization contributes to the society concerning traffic safety, environment and mobility. The way of communication inspires the employees, and the organization has developed good reputation in the society.

• **Personnel-policies.** The NPRA has developed a flexible and good policy for personnel development. The policies ensure predictions, regulated contracts, flexibility in order to keep, and recruiter competence.

The participant did also have to answer questions about which of today’s circumstances causes or prevent job-satisfaction.

Positive circumstances:

• Interesting, challenging and variety of assignments creates work-enthusiasm

• Good work-conditions, flexibility, welfare benefits and enough resources to execute tasks.

• A large network of skilled colleagues. The employees are trusted; feel that they are given responsibility and flexibility in order to solve their tasks. The employees feel that they can influence their own work situation.
Negative circumstances:

- The respondents feel that some people’s dissatisfaction with the new structures is very negative for the work environment.
- The lack of diversification of the employees, due to age, gender, education, lack of recruitments
- The change process has not been conducted in a good way. People feel insecure and experience lack of communication.
- The lack of focus on competence development. Competence does not pay off for the employees.
- Internal conflicts in the organisation influence prosperity, quality and efficiency.
- The lack of efficiency in solution-processes.

The seminar has identified several measures in order to develop the organization:

**Proposals for policy for recruitments and keeping employees**

There is a great need to improve the age-profile of the organization. It is necessary to recruit young employees and develop and transfer competence.

- Result orientated pay – individual objectives
- Prioritizing of younger applications
- Better profile – internal and external communication
- Vision of the future
- Competence development
- Transfer of competence
- Long term engagement for younger people

**Proposals for policy for management**

- Emphasis on management skills and development of management skills.
- Mobility in management positions
- Communication of the different manager’s tasks. Some of the employees have not understood that today’s managers have different responsibilities than their predecessors used to have.
- Loyalty to the objectives of the organization. Today too many people work in order to satisfy their own agenda.
Proposals for better utilisation of the resources

The competence level of the organization is high. It is important to utilise the competence better than we do today.

- Identify, management and publishing of competence. People must be encouraged to participate in conferences, publish their work etc. Establish computer based systems in order to manage competence. Encourage to change teams in order to develop the competence of the individuals and the organization.
- Reduce the use of consultants
- Identify main future tasks and ensure competence development.
- Better utilisation of technology

The PUMA-project has because of the solution-orientated and bull pointed proposals obtained good communication with the top management of NRPA. They have proposed to continue the project for another year, and they will for example have a role as discussion partner for further development of the organization.
Appendix 5

SUMMARY OF REPORT ON STRENGTHS AND CHALLENGES REGARDING ORGANIZATION STRUCTURE, CULTURE, MANAGEMENT AND WORK-METHODS

The change-project team in the Directorates of Road – “På veg prosjektet” - published in March 2006 a report on strengths and challenges regarding organization structure, culture, management and work-methods (Prosjektrapport – erfaringsinnhenting). The report is the first major evaluation of the restructuring of the NPRA. The change-project team have been conducting group-interviews with managers from all regions and the directorate, and representatives from the unions and the PUMA-network.

The main purpose of the studies has been to:

- Gather information about the most important challenges in the NPRA regarding organization, leadership and work-methods
- Give attention and share information regarding successful and significant initiatives

Strengths

- The transformation from 19 to 5 units has caused better coordination, prioritising and utilisation of resources – improvement for the NPRA and our environment
- Larger network of employees – colleagues to share and gather information and knowledge
- Ability to accomplish reductions of employees in a relatively gentle way
- More effective execution of administrative tasks
- Focus on leadership and development of skills for leaders
- Empowerment of employees
- Benefits from development of regional organizational cultures
- Amalgamation between region- and corporate management
- Ability to successfully carry out our core tasks in a period of transformation
- More job-options
- Better utilisation of competence because of more flexible use of employees
- More professional purchaser of competence
Challenges

- Correct distribution of authority and responsibility between Directorate, Regions and Districts
- “Mental maps” concerning Regions - May a person employed at District level represent the Region? Difficulties concerning recruiting people to the head- offices in the Regions.
- Difficulties concerning coherence between authority and responsibility
- Redefining of roles and responsibilities
- How to create process maps that define roles and responsibilities in horizontal flows – it has been difficult both for “purchaser” and “suppliers” to handle roles and responsibilities for tasks executed by the Resource Unit
- Strengthening the competence for purchasing of construction- and maintenance work
- Reduction of manpower – lack of people to do our responsibilities
- New work methods - how to do the same amount of work with less people
- Corporate culture
- Leader span – causes challenges both for leaders and employees
- “Burn out” of leaders because of heavy work load
- Management of “distance-workers”
- More strict management of tasks – ability to complete projects and be loyal to official prioritising concerning resources and responsibilities (control of voluntary behavior) – give response when people show undesirable behaviour
- Information flow – horizontal and vertical
- Recruitment and development of competencies and skills
- Better use of the organization structure and the resource inside the organization
- Identity and reputation (human relations)
- Improvement of management processes
Appendix 6

SUMMARY OF AUDIT OF THE WORK REGARDING ORGANIZATIONAL CULTURE IN NPRA

In February 2006 the Executive Meeting of the NPRA was discussing a report conducted of the Internal Auditing Secretariat regarding work connected to organization culture in NPRA. They were commenting that organizational culture and process-systems for management are connected, and proposed that the implementation of the management-system will be the most important programme for further development of organizational culture, particularly in order to ensure a comparable culture throughout the country. They will focus on how to communicate orders and how to show responsibility. Work regarding organizational culture is an important mission for leaders. The NPRA execute a wide range of activities - It is important to recognize that different tasks may call for different organizational cultures.

The audit focused at:

- what kind of activities are conducted concerning organizational culture and organizational climate
- values we want the employees to follow
- culture for “voluntary behavior”

The audit showed that there have not been many coordinated activities concerning organizational culture for the NPRA as a whole, except management-training, since the reorganization. However, the different regions have conducted activities in order to merge the different subcultures in their regions.

Focus on the NPRA values and ethics have been an important part of the regions work on organizational culture, but 40 per cent of the employees respond that they do not really know the values and 45 per cent of the employees respond that they do not really know the ethical guidelines.

“Voluntary behavior” may be evaluated both positive and negative. In the NPRA it has mostly been used as a negative term concerning employees opposing orders or rules, employees...
spending time and resources on activities which are not official prioritized, employees fighting decisions etc. However, in the future one may take into consideration that inquiring behavior may be an important contribution or qualification for organizational learning.

The Internal Audit Secretariat identified seven areas for improvement and proposals for activities:

- Better coordination of activities concerning organizational culture and more authority to the people in charge of this kind of activities
- Judgment of need for coordination of work regarding organizational culture throughout the organization – or deliberate authorization of subcultures
- Enhancement of the work in the competence network for organizational culture
- Better control and management of resources used on surveys and evaluations concerning organizational culture, job-satisfaction, work-environment etc. Too much resource is spent on this kind of activities – without the results being used for the best of the organization.
- Strategy for implementation of the NPRA values
- Improved implementation of ethical guidelines
- Development of one organizational culture in order to avoid unfortunate competition between subcultures

One part of the audit on organizational culture was a survey on organizational climate. The survey is conducted by use of a method developed of Dr. Göran Ekvall, a Swedish organizational climate researcher. The organization’s climate refers in this setting to “the recurring patterns of behaviour exhibited in the day-to-day environment of the organization, as experienced, understood, and interpreted by the individuals within the organization.”

Ekvall has studied how different organizational climate support innovation or cause stagnation in organizations. He has developed a Creative Climate Questionnaire for this kind of studies. The surveys are evaluating factors related to:

1. Challenge – how challenged, how emotionally involved, and how committed am I to work?
2. Freedom – how free am I to decide how to do my job?
3. Idea Time – do we have time to think things through before having to act?
4. Idea Support – do we have a few resources to give new ideas a try?
5. Trust and Openness – do people feel safe in speaking their minds and openly offering different points of view?
6. Livelihood – how often does unpredicted events happen?
7. Playfulness and Humor – how relaxed is our workplace – is it OK to have fun?
8. Conflicts – to what degree do people engage in interpersonal conflict or “warfare”
9. Debates – to what degree do people engage in lively debates about the issues?
10. Risk-taking – is it OK to fail when trying new things

The survey in the NPRA was conducted by questionnaires to 15 per cent of the employees (ca 725 employees) in the spring of 2005.

Figure 1 shows that the NPRA for most of the dimensions have values between the stereotypes for innovative and stagnating organizations. This is quite interesting for a governmental bureaucracy which has many employees whose work consists of safeguarding of regulations. In further work on organizational climate it may be interesting to analyse differences in score for people with different responsibilities and work-tasks.

![Figure 1. Climate profile for the NPRA compared to innovative and stagnating organizations](image)

The NPRA scores are rather high regarding trust and openness, challenges and playfulness, - dimensions which I believe are important in a learning organization. However, possibilities to
develop ideas seem to be rather low. Perhaps this is circumstances which may be changed in
strive for a learning organization.

Figure 2 shows the scores for the different units – the regions and the Directorate. There are
significant differences between the regions/Directorate. The Directorate and the Northern
Region seem to have the best climate for innovation. The reason why the Directorate have the
best score on climate may be a result of the work tasks. The Directorate are supposed to
develop new strategies and policies, while the regions are supposed to carry out the strategies
and policies.

Figure 2. Climate profile for the different regions and the Directorate