

Cultural Adaptability and Organizational Change: A Case Study of a Social Service Organization in Hong Kong

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ABSTRACT

This article explores the relationship between adaptive culture and organizational change. We report on a longitudinal case study of a non-governmental organization (NGO) in the social service sector in Hong Kong that underwent a two-year quality improvement program. Using the quantitative and qualitative analysis of the adaptability of the organization's culture prior to and immediately after the change in the program, we explored the effect of culture on the change process as well as the effect of the change on culture. While survey results did not reveal substantial cultural change, interviews and focus groups analysis showed significant improvements in learning processes at the team level as well as the increased adoption of participatory leadership behavior. Nevertheless, the extent of change, particularly in term of organizational level learning, was minor. Implications for research and practice in organizational change and its relationship with adaptive culture are discussed.

Keywords: Adaptability, Organizational Culture, Change

INTRODUCTION

In recent years, an increased research attention has been paid to the need for organizations to learn about and respond flexibly to various demands from dynamic competitive environments (Carmeli & Sheaffer, 2008; Ngo & Loi, 2008; Wei & Lau, 2010). Increased globalization and international commerce, rapid technological advances, changing business ethical values and stakeholder demands, greater diversity

in the workplace, changing employment relationships, and the like, are just some of the issues confronting organizations and challenging leaders (Yukl & Mahsud, 2010). Many researchers have argued that inflexibility and inability to learn and adapt to the environment are among the most critical factors that hinder organizational success (Jones, Jimmieson, & Griffiths, 2005; Lee, Tan, & Chiu, 2008; Zheng, Yang, & McLean, 2010). Regarding this growing attention to organizational learning and adaptability, the nature of a firm's culture has received considerable attention by academic researchers as well as practitioner commentators (Deal & Kennedy, 2000; Easterby-Smith & Lyles, 2011; Lee & Yu, 2004; Peters & Waterman, 1982; Schein, 1996; Schein, 2009).

One reason for this attention is the functionality of organizational culture, in particular its presumed relationship with organizational learning, effectiveness, and performance (Alvesson, 2002; Lee & Yu, 2004; Yilmaz & Ergun, 2008; Zheng et al., 2010). Specifically, the shared values and assumptions associated with organizational culture (Alvesson, 2002; Deal & Kennedy, 2000; Schein, 1990) are seen to drive collective perceptions and behavior of employees that may support or hinder the enactment and coordination of strategic responses to environmental demands (Zheng et al., 2010).

These strategic benefits presume that the basic values and assumptions underlying a firm's culture are aligned with the environmental demands confronting the firm. However, in changeable and dynamic environments, values and assumptions may need to be modified to support new thinking and behavior. In such situations, organizations with strong engrained cultures may be unable to cope with changes of significant magnitude, as such changes may directly challenge the basic assumptions and values of the organization; therefore, they are likely to be resisted (Ngo & Loi, 2008). These criticisms of the potential inflexibility of an organization's culture have led to the development of the concept of adaptive culture (Alvesson, 2002; Denison, 1990, 2001; Denison & Mishra, 1995).

Kotter and Heskett (1992) first used the term adaptive culture to describe collectively the range of cultural attributes that enable organizations to become more adaptive to environmental changes by helping "organizations anticipate and adapt to the environmental change" (p.44). Schein (1992) also highlighted the importance of cultural adaptability, suggesting that any system must be able to be maintained in relation to its changing environment in order to survive and grow. A firm's capability regarding adaptability has been identified in studies of organizational learning (Argote & Miron-Spektor, 2011; Easterby-Smith & Lyles, 2011) and competitive

sustainability (Wei & Lau, 2010) as an essential feature of organizations in contemporary environments.

However, despite the fact that many researchers, as indicated above, have recognized adaptive capability of a firm's culture as an important cultural component, only few have explored adaptive culture. Furthermore, the relationship of adaptive culture and organizational learning with change needs exploration. Of particular interest, especially in the contemporary era of dynamic work environments, is whether organizations with adaptive cultures engage in more successful change efforts and whether change programs are able to influence the adaptive culture of an organization. The purpose of this study was to address these issues by exploring the nature of adaptive culture and to examine how adaptive culture affects the way an organization responds and adapts to change efforts.

Specifically, in the paper, we present a longitudinal case study of a non-governmental organization (NGO) in the social service sector in Hong Kong that underwent a two-year change program. The research design of the study included questionnaire surveys, one-on-one and focus group interviews, observations, and document review. This design utilized multiple sources to enable comparisons between different types of data (quantitative and qualitative) and at different stages of the change process (before and after the program) to better understand the nature of the adaptive culture in the organization and the ways in which it interacted with the change process.

THE ORGANISATION

The organization studied is a non-governmental organization (NGO) in the social service sector in Hong Kong. The organization has around 300 staff members plus another 100 volunteer helpers, and it is structured into eight service units. The organization provides a wide range of social services to the region where it is located, including a hostel, day-care, home help and recreation day-center for the elderly, a hostel for mentally disabled people, and temporary accommodation for female teenagers who have relationship problems with their families.

THE CHANGE PROGRAM

Since 2000, the social services sector in Hong Kong has undergone significant changes driven by the pressure to contain social welfare expenditure. For example, the Government introduced competitive bidding on the delivery of social welfare services, forcing organizations to tender for funding from the Social Welfare Department; thus,

non-government organizations compete directly with organizations from the private sector (Chan, Wan, & Lui, 2002).

In order to better with the changing funding environment and to prepare for more scrutiny and monitoring of its services, the organization had in recent years undertaken a significant change referred to as the “Continuous Quality Improvement” (CQI) program. The CQI program aimed to instill and enhance a customer-focused, quality-conscious, and continuous improvement mentality among its employees. The change program was implemented in three phases, an initial development phase, an implementation phase, and an evaluation phase, over a period of 23 months.

In the initial development phase of the program, the leadership team of the organization established, clarified, and agreed on ideas and concepts of the program. The focus of the implementation phase, which made up the bulk of the change program, was to build the change capacity of the organization. Activities included conducting skill development workshops designed and targeted for different member groups of the organization. Eight CQI project teams were also formed to address quality problems in each of the service units of the organization. These teams received training in continuous improvement approaches, and they were given a high degree of autonomy to decide what issues to tackle and how to tackle them. Project team-leaders also received additional training on project management and presentation skills. The respective service unit heads where the projects were located reported on progress of the CQI projects to the steering committee. The third phase involved a formal evaluation by the steering committee team of the effectiveness of the CQI program using a combination of questionnaire survey and interviews. These data were made available to the researchers.

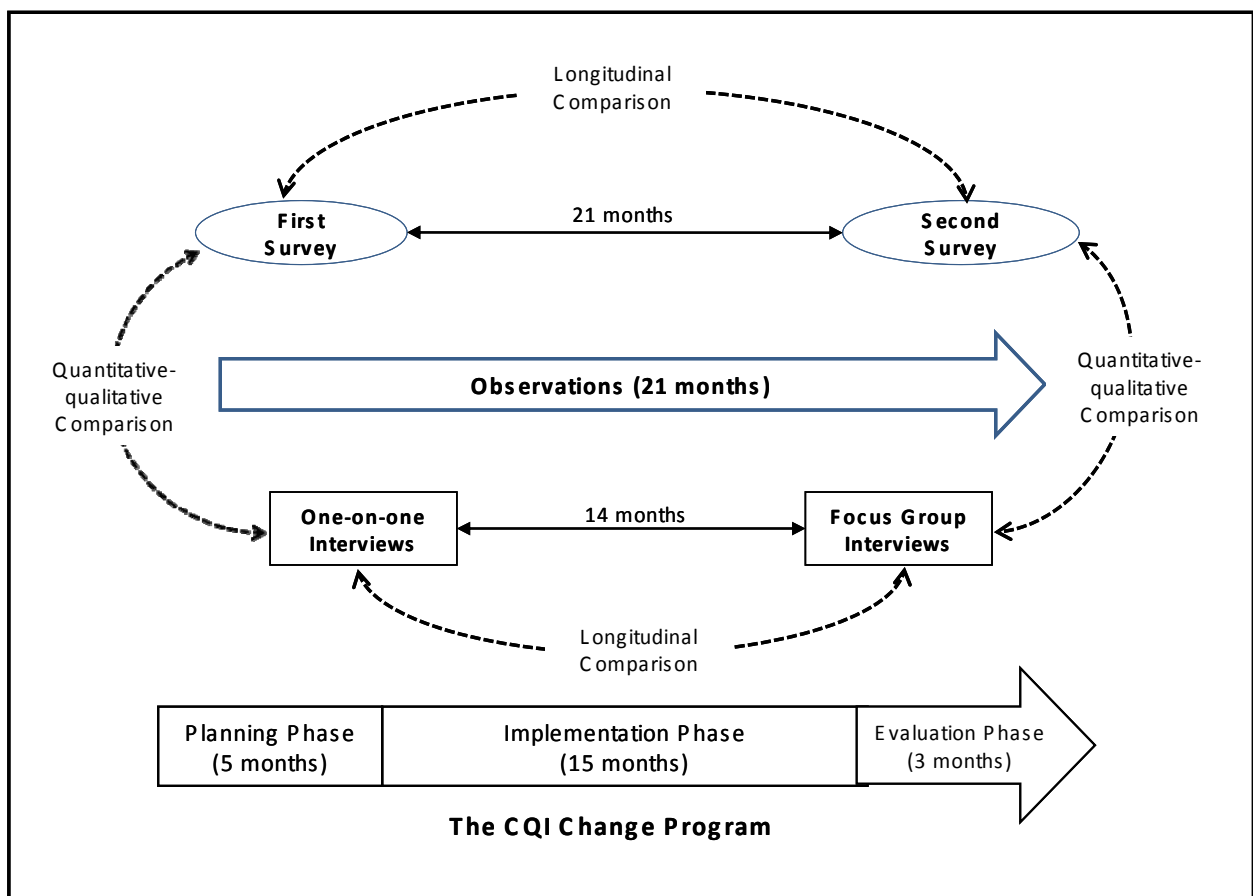
RESEARCH DESIGN

An overview of the longitudinal design of the research process relative to the change program is given in Figure 1. The lower arrow in the diagram outlines the time-line and phase structure of the change program. The diagram also outlines the use of various research elements within the change program.

Adaptive culture was assessed using a questionnaire developed by Denison (1990, 1995, 2001). According to Denison (1990; 2001), adaptive culture consists of three components; 1) ability to create changes, 2) a focus on customers, and 3) learning at an organizational level. Ability to create change reflects the frequency of changes and innovations and the ways in which they occur as well as employees’ support of these changes (Jones, et al., 2005; Kotter & Heskett, 1992). Focus on customers reflects the

degree of staff’s consideration of customers’ needs in decision making process (Kotter & Heskett, 1992; Peters & Waterman, 1982; Schneider, Brief, & Guzzo, 1996). Organizational learning is concerned with the organization’s ability to learn and share that learning (Easterby-Smith & Lyles, 2011; Senge, 1994; Yukl, 2009). Hence, an organization’s learning ability is reflected by whether learning systems are in place to receive, translate, and interpret signals from the environment into improvement opportunities (Denison, 2001).

Figure 1 Overview of the Longitudinal Research Design relative to the CQI Change Program



Denison incorporated three dimensions of adaptive culture into a 15-question survey (see Table 1). Participants were asked to rate the 15 question statements on a 6-point Likert scale according to the degree of their agreement (1= ‘strongly disagree’ to 6 = ‘Strongly agree’). Additional questions asked about participants’ age, gender, role category, and years of service.

Table 1 Denison's (2001) Survey Instrument to Assess Adaptability of an Organisation

Dimensions of Adaptability	Questions Asked in Denison's (2001) Questionnaire
1. Creating Change (Change Capability)	1) The way things are done is very flexible and easy to change. 2) We respond well to competitors and other changes in the business environment. 3) New and improved ways to do work are continuously adopted. 4) Attempts to create change are usually meet with resistance (Reversed Scale). 5) Different parts of the organisation often cooperate to create change.
2. Customer Focus (Focus on Customer)	6) Customer comments and recommendations often lead to changes. 7) Customer input directly influences our decisions. 8) All members have a deep understanding of customer wants and needs. 9) The interests of the customer are often get ignored in our decisions (Reversed Scale). 10) We encourage direct contact with customers by our people.
3. Organisational Learning (Organisational Learning Capability)	11) We view failure as an opportunity for learning and improvement. 12) Innovation and risk taking are encouraged and rewarded. 13) Lots of things in our organisation "fall between the cracks". (Reversed Scale) 14) Learning is an important objective in our day-to-day work. 15) We make certain that the "right hand knows what the left hand is doing".

Note: Dimensions shown in brackets are the modified names used in this research, which is argued better reflects the nature of the dimensions.

Translation of the questionnaire from English to Chinese was carried out with the help of a bilingual journalist (Chinese and English) born and educated in Hong Kong with a PhD qualification. The Chinese questionnaire was also reviewed by the CQI steering committee to ensure that the chosen words and phrases are appropriate for the social service sector and the organization. A group of staff nominated by the eight service units pretested the questionnaire, based on which some minor adjustments were made.

The same set of questions was used in both rounds of survey, with the first round carried out towards the end of the planning phase and the other one conducted 21 months later towards the end of the implementation phase of the change program (see Figure 1). All staff members were invited to complete the surveys. Overall, 125

useable surveys (response rate 42%) were returned in the first round and 122 useable surveys (40% response) were received in the second round. Since turnover was a little less than 5% between the two surveys, the data reflected the effect of the CQI program rather than staff changes.

Prior to the start of the implementation of the change program, 44 in-depth interviews, ranging from 40 to 90 minutes, were conducted with staff to gain qualitative insight into the adaptive culture that prevailed in the organization before the change program took place. The interviewees held various job roles, hierarchical positions, and years of service. The interviews were developed with the adaptive culture model in mind, but they also allowed participants to engage in discussion. Interviews were audiotaped and analyzed using thematic analysis (Aronson, 1994; Fereday & Muir-Cochrane, 2008).

A second round of fourteen interviews was also conducted close to the completion of the change program. In addition, eight focus group sessions were also conducted at this time. The focus group was interviewed at the request of the steering committee in order to explore more carefully management's concern that there are different levels of support for the change process within work subgroups in the organization. Additionally, at the request of the organization's management, focus groups were not audiotaped. However, abundant notes were taken during the session and analyzed immediately after the focus group. Participants invited to the focus group interviews were grouped according to their job roles, as shown in Table 2.

In addition to survey, interviews, and focus groups, internal and external documents were observed and examined throughout the period of the research study to provide supplementary sources of data to complement and aid in the understanding and interpretation of the survey and interview findings (Emerson, Fretz, & Shaw, 2011). For example, all steering committee meetings were observed, as all major decisions about the change program were made at these meetings.

FINDINGS AND DISCUSSION

Pre-Change Adaptive Culture

The adaptive culture profile is represented by the average scores of respondents on each of the 15 items of the survey questionnaire (See Table 3). These data indicated that overall, the adaptive culture of the organization suggests that the organization pays higher attention to the adaptive culture dimension of "Focus on Customer" relative to the other two dimensions.

Table 2 Participants of Focus Group Interviews

Job Role Category of the Participants	Job Title of the Participants (Number of Participants in Focus Group)
1. Managers	Supervisor (2) Assistant Superior (3)
2. Social Workers	Social Worker (5) Social Worker Assistant (1)
3. Medical and Health Staff	Registered Nurse (2) Enrolled Nurse (2) Physiotherapist (2) Physiotherapist Assistant (1)
4. Program Staff	Welfare Worker (2) Program Worker (1) Program Assistant (1)
5. Administrative Support Staff	Clerical Officer (1) Clerk (6)
6. Hostel Care Workers	Care Worker (4) Personal Care Worker (1)
7. Home Care Workers	Day Care Worker (4)
8. General Workers*	Workman (2) Cook (1) Driver (1)
Total number = 38	

(* “General Worker” is a general category in the organisation for work not associated with the core services such as cleaning).

Table 3 Average Scores on Individual Items and Three Dimensions of the Adaptive Culture before and after the CQI program

Mean Scores	Creating Change					Focus on Customer					Organisational Learning Capability				
	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15
Items: pre-change	4.0	4.3	4.5	4.1	4.0	4.6	4.6	4.3	5.0	5.0	4.7	3.8	3.6	5.1	4.0
Items: post-change	3.8	4.2	4.3	4.3	4.3	4.4	4.6	4.3	4.7	4.8	4.7	4.0	3.8	4.9	4.1
Dimension Average: pre-change	4.2					4.7					4.2				
Dimension Average: post-change	4.2					4.6					4.3				

Examining individual items also highlighted behaviors associated with adaptive culture. Respondents judged most items related to clients as high, indicating that these behaviors were characteristic of staff within the organization. Considering the health and welfare aims of the organization, the focus on the client is not surprising (Davies, Nutley, & Mannion, 2000; Glisson, 2007). Item Q14, which assesses the importance of learning, was rated the highest of all items in the survey. This result suggests that staff see learning as important. However, the emphasis on learning was inconsistent with the responses to other items (Q12 and Q13) within the “Organizational Learning Capability” dimension, which were the two lowest scored items in the survey.

The analysis of the data collected from the one-on-one interviews, participant observations, and review of documents supported the broad perspective of adaptive culture presented in the pre-change survey. As noted above, the survey presented mixed results concerning the adaptive culture dimension of “Organizational Learning”. This dimension focused on issues associated with the value of learning within the organization at both an individual level and collectively. While the organization appeared to be aware of the importance of training for staff, training was mostly technical in nature and focused on one’s role. For staff engaged in areas not typically associated with their role, there was limited training or attention to these needs. For example, a number of nurses who were required to handle “*client cases*” indicated that they had approached the organization unsuccessfully on numerous occasions to inquire about for the training that would allow them to acquire essential communication and counselling skills required for handling client cases properly. Other staff members expressed similar views. One social worker said she was frustrated with the lack of support by the organization regarding her development of people skills, even though she was required to supervise a team of five staff members as a part of her job.

The value of learning in the organization was also reflected in the attitude towards risk-taking (Camps, Alegre, & Torres, 2011; Martins & Terblanche, 2003). While there were legitimate reasons why risk should be avoided in this organization, which operated in an industry dominated by health-care institutions, such as hospitals and clinics, the interviewees indicated that risk-taking was perceived within the organization as being associated with “*careless*”, “*irresponsible*” or even “*foolish*” behavior by staff rather than an opportunity for learning. The perception that risk-taking caused mistakes was strongest among managers (Yule, Flin, & Murdy, 2007) who simply did not want any mistake occurring in their service units. A clerical staff

member in the interview described how her manager would respond to knowing that a mistake was made in her unit:

“The one who is responsible (for the mistake) would be questioned. The supervisor would ask that person right at the meeting: ‘Why did you do that?’ or ‘Was it you who did that?’ There was dead silence at the meeting.” (Clerical staff)

The risk-averse mentality evident in the interviews reflected survey results in which item Q12 “Innovations and risk taking are encouraged and rewarded” received the second lowest mean agreement of all items (score 3.8). A culture of avoiding risk discourages people from challenging basic assumptions embedded within existing systems and processes that are necessary for provoking effective learning, innovations and the creation of more useful changes (Denrell, 2007; Kotter & Heskett, 1992; Lee et al., 2008; Schein, 1992).

The dimension of “Organizational Learning Capability” also relates to behaviors associated with active sharing of learning. By sharing ideas and insights, people can reflect on what they learn and clarify ideas to enhance deeper levels of learning as well innovations (Alas & Vadi, 2003; Easterby-Smith & Lyles, 2011; Senge, 1994). Many interviewees commented that there were very few opportunities for sharing. Although in some service units, sharing of learning was included in the meeting agendas, in reality it seldom happened. Observations of meetings highlighted that while sharing of insights and learning was typically the last item on meeting agendas, most meetings generally ran over time; thus, sharing of learning was either done in a hurry or simply skipped. Additionally, many of these meetings were held only once or twice a month, which further limited the opportunity for relevant and useful sharing to take place.

In terms of the “Creating Change” dimension of adaptive culture, the qualitative data suggested that change in the organization was frequent, continuous, and generally accepted by the staff. A center’s supervisor described change as “*never-stopping*” in her service unit since she had joined the organization. In discussing the continuous nature of change, the interviewed staff members expressed that “*change is a fact of life*”. The interviews presented a view of staff as being willing to embrace change rather than resist it. Since overcoming resistance to change is one of the most critical issues in successful organizational change implementation (Armenakis & Bedeian, 1999), the high receptiveness to change, as revealed from the interviews, seems to provide a promising cultural environment for implementing the CQI program.

Whether the proposed changes were seen to produce tangible benefits to their clients is another important factor influencing the level of staff support for change. The interviews indicated that staff members often consider benefit-for-client in their decision-making process, which was rooted in a very close, family-type relationship between the employees and the clients of the organization. This relationship appeared to be a central aspect of the prevailing culture of the organization embedded deeply in the beliefs and values of the staff members. In the interviews, the staff commonly referred to the elderly as “*grandma*” and “*grandpa*” and to younger clients as “*sons*” and “*daughters*”. During site visits, it was regularly observed that the staff members interacted with the clients as they would with their own family members, and they appeared to genuinely care about what was happening to them and their families.

This deep and genuine attachment to clients is typical in mission-driven non-profit organizations, especially in the health and welfare sector. Staff members in these organizations are often highly dedicated to the organization’s mission and have a strong service ethos to help the needy in society and deal with clients with kindness, caring, and personal attention (Frumkin & Andre-Clark, 2000).

In summary, both the quantitative and qualitative data suggested that the organization possessed some of the major qualities of cultural adaptability. In particular, the results highlighted the client-centric culture within the organization. The other two components of adaptable culture, namely *initiation of and support to changes* and *organizational learning*, were less noticeable and, in many respects, underdeveloped aspects of the organization’s culture in terms of adaptability. For example, changes often occurred in a discrete, scattered, and uncoordinated manner that relied heavily on individuals’ own initiations and motivations. There was no overarching learning strategy and thus no linkage between organizational learning and organizational vision, mission, and strategies. Training and development opportunities were limited. Furthermore, no systems have been established to enable learning to take place at an organizational level.

Post-Change Adaptive Culture

Change in the adaptive culture was quantitatively assessed by comparing the profiles of the organization before and after the CQI program. Table 2 shows the mean scores for each of the 15 items on the pre-change and post-change surveys. The two surveys that were conducted 21 months apart using the same set of survey questions revealed that there was very little difference between the adaptive culture profiles. Only two items (Q5 and Q9) had slightly different mean scores whilst all others had

either identical mean scores (Q7 and Q11) or very small mean score differences (0.3 or lower).

However, the qualitative analysis showed more nuanced understanding of the effect of the CQI program and appeared successful in creating an atmosphere of continuous quality improvement in the organization, motivating many staff members to proactively seek opportunities for change in their existing work. The following example was given in the one-on-one interview:

“Now I understand it more (the CQI process)... I am able to make some good changes in my unit. For example, I suggested using color codes to mark the different districts where we deliver home care services to our clients and organize our care worker service schedules according to these different colored districts. As a result, we have saved a lot of transportation time. The change was very well received by the care workers and they felt happier too!” (Assistant supervisor)

At the organizational level, the extent of this change atmosphere can be seen in a change program activity called “Collection of bright improvement ideas”, which received more than 100 suggestions for change from staff.

A notable change in leadership style among many of the managers and supervisors contributed to the improved atmosphere of change in the organization. Preceding the change process, staff members considered the leadership style as directive with a low involvement of staff in decisions (Yukl, 2009). The post-change focus group interviews and field observations indicated that many managers changed their leadership style from directive to being more involving and engaging with staff. As a result, lower-level or junior-level staff members were able to express their views and opinions at meetings, resulting in an increased two-way communication. The improved communication generated more change ideas at the meetings and increased the staff buy-in and support. The subordinates clearly noticed the change in the managers’ leadership style. In the focus group interviews, the care workers described their managers as “more proactive” and “more receptive” as well as “more responsive” and “more timely” after compared to before the change.

Team learning capability also improved, as evident in the “CQI project team sharing sessions” that were held on a monthly basis. These sessions involved a learning reflection exercise, followed by issue discussions and solution generation sessions. Observations of these sessions indicated that in addition to information and learning being shared more effectively, staff members also benefited emotionally from the sessions, feeling better supported and motivated. Through reflection and

sharing of learning, staff members were able to use other team's learning to change or improve. For example, one project team benefited from another team's learning on how to involve colleagues in their service unit in the design and implementation of the change, hence making the change effort more accepted by their colleagues and more effective.

However, despite the increase in staff involvement, the effect of the CQI change program on more systematic sharing of learning to promote organizational learning was generally limited. Organizational events where sharing could occur tended to be poorly designed and poorly conducted. The annual lunch event, for example, which is expected to be a perfect venue for people to meet, chat and share, was allotted only forty-five minutes, including lunch and award ceremony, during which prizes were given to those who have made useful changes. Observation of the event revealed that people spent most of their time queuing up for the food, with few managing to finish their food and paying attention to the award session. The venue was also too small to accommodate all people and too noisy. Some people had to rush back to work (due to insufficient stand-by staff at the service units) and left in the middle of the event.

Sub-Cultural Differences

The focus group interviews suggested four broad sub-cultural patterns or distinctive sets of perceptions and attitudes among staff regarding the change program, which reflected the underlying adaptive cultural dimension of "Change Capability".

The focus groups of general workers, hostel-care workers, home care workers and program staff members exhibited a similar attitude towards the CQI change; hence, these individuals comprised a single group in this analysis. When asked about the CQI program, these staff members did not seem to have a good grasp of what exactly was happening outside their service units, although they showed genuine interest in knowing what was forthcoming. In the focus interviews, they were keen to provide suggestions on how to address some of the issues that they saw arising from the change implementations and were eager for future changes to be more successful. An important reason for their support is that they believed the program had a positive influence on their work. As one care worker commented:

I think the situation is better now. It's more 'transparent' in the service unit. In the past, not many staff would express their opinions, but now they would.

The "Managers" focus group was made up of service unit heads and their assistant managers and the "Social Workers" focus group was made up only of social

workers from across the organization. Both groups showed a positive attitude towards change generally and towards the CQI program specifically. Unlike the front-line and support staff focus groups discussed above, the managers and social workers exhibited a longer-term perspective about the change program. They also demonstrated a more systematic approach to addressing change issues and strove to provide an objective, balanced view of the changes compared to other work groups. In the focus interviews, they demonstrated a good understanding of the issues and deficiencies in the change process, and they were able to provide a solid view of what and how improvements could be made in the future.

The “Medical and Health Care staff” focus group comprised individuals in various professional roles in the organization, including medical assistants, therapists, and nurses. The group did not participate much in the discussion. When the recent changes in the organization were discussed, they seemed to know very little about them, and they were not particularly interested in knowing more. They preferred to focus on their own professional areas and did not consider that they could contribute to the change beyond their current role. As one nurse said:

“Our involvement, if any, would only be during our shift, as we know there were already other colleagues participating in it (the change program).”

Overall, the members of this focus group spoke about the CQI process with a relatively indifferent tone. It was evident that professional employees were less supportive compared to the front-line staff, managers and social workers, and they were a potential source of resistance to the organizational change.

The fourth sub-cultural group comprised staff in clerical and administrative roles supporting the operation of the health and social services roles within the organization. The general feeling of the group was that they held quite negative attitudes towards the CQI change program, and they did not believe that they could contribute to the program.

The comments given in the focus group were also based on observations of informal and formal events, suggesting that clerical and support staff seldom participated actively in the program activities. One reason for the strong negative reaction of the clerical and support staff to the CQI program is related to the substantially increased workload it produced for them.

“The workload here is tremendous. We have always been working under-staff and now the CQI program brings even more work. For example, we have to update

the CQI board¹, design and issue CQI posters, arrange CQI events, and there are many CQI meetings too that we are the ones who produce the meeting minutes (for circulation). We have more work than before!” (Clerical worker)

“Some colleagues are too busy to care about anything. The CQI is no exception.” (Clerical officer)

As they indicated in the focus group, when the CQI program was launched, one of the benefits of the program that the management advocated to staff was that it would improve the efficiency and eventually reduce workload. Contrary to these expectations, the clerical and support staff perceived that they had more work than they did before. Throughout the CQI program, the requests to administrative staff to provide data and reports to support the operation of the program were made. Since very few of the CQI programs were directed at the administrative operations, there were no direct perceived benefits. Additionally there was no direct involvement in change initiatives. Thus, frustration with the CQI program arose from the lack of alignment between the administrative staff and the aims and practices of the CQI program.

Implications

The findings from this research have a number of implications for research on organizational culture and change. First, this research highlights the importance of including adaptive culture as a construct in organizational change and cultural change research and highlights the value of a more focused effort to identify, understand and assess the adaptive attributes within an organization’s culture.

Second, this research presents an adaptive culture model that may be used to guide future research efforts on organizational change and cultural change. The three-dimensional structure of the adaptive culture model used in this research provides a useful framework for the inherently complex and multifaceted nature of adaptive culture. The model therefore helps managers and change agents focus their efforts on managing organizational change.

¹ “CQI board” is a notice board located at the reception area at the lift lobby of the organization’s entrance where the latest news of the CQI program are posted.

A third implication is that this research highlights the influences of subcultures on organizational change processes that also affect the likelihood of success of organizational change. In particular, the research findings indicate that cultural differences between subgroups in an organization can be amplified in times of change when deeper levels of beliefs and values held within the staff members are challenged. Thus, in organizational change planning and management, there is a need to assess these sub-cultural differences prior to and during change efforts in order to devise ways to manage these differences, especially to align interests of subgroups with the aims of an organizational change effort.

A final implication of this research relates to the use of a combined quantitative-qualitative approach and longitudinal design for data collection to provide a process perspective on the development of the change process. A combined approach using multiple sources of data collected at different phases of a change process helps improve the overall reliability and validity of research insights.

LIMITATIONS AND FUTURE RESEARCH

Although the research has presented detailed analysis of an organization's culture prior to and after undergoing the change utilizing various methodologies for an extended period, it has a number of limitations that should be addressed in future research. First, this research was limited by the single case study methodology. Despite providing in-depth analysis and rich descriptions of the organization, single case studies are limited in terms of the generalizability of the findings.

Furthermore, the case study was conducted with a non-governmental organization in the social service sector in Hong Kong. The extent to which the findings are applicable to other organizations and other cultures is uncertain. The organization is primarily a socio-medical care organization with unique features. Most notably, this organization focused particularly on "customer" elements within its culture due to the strong staff-client relationships that develop over time. Thus, the relationship between adaptive culture and change needs to be investigated in other industries.

The organization studied was a non-profit organization, and future research might compare the effect of "for-profit" motives on adaptive culture and its relationship with change processes. The organization studied is located in Hong Kong; thus, the staff members hold "Eastern" cultural values. Future research might focus on a similar socio-medical organization in a "Western" culture to examine the extent to

which such underlying values might influence adaptive culture and the change process.

Another limitation of this research was the poor factorial structure of the adaptive culture survey instrument, which detracted from the validity of quantitative data produced. In the current study, the data from the survey were used in a descriptive way. Further improvement of the survey would increase the validity of future quantitative research on adaptive culture. In particular, items measuring “Organization Learning Capability” deserve additional attention to more accurately assess learning and sharing of knowledge at the individual, team and wider organizational level. The development of a valid survey questionnaire is an important step for stimulating future research on adaptive culture.

CONCLUSION

The CQI change program implemented in the organization lasted for nearly two years and included a large number of change activities and events. However, the research results indicated that changes in the adaptive culture profile were less noticeable. According to the questionnaire results, adaptive culture profiles were essentially unchanged by the end of the program.

The qualitative analysis showed that strong client-centric attitudes and behaviors existed among the organization’s staff members prior to the change program. Staff members’ behavior reflected their genuine caring about the clients’ wants and needs. Thus, it can be argued that it is reasonable to expect little absolute change in the “Focus on Customer”, which represented an existing desired cultural value.

The organization also exhibited a high degree of “Change Capability” within its pre-change adaptive culture, which was evident from staff members’ attitudes and beliefs, as they indicated that “*change was a fact of life*” and a way to improve things. The members indicated that they had a strong desire to make changes that would benefit their clients. This dimension was clearly strengthened by the organizational change program. It was evident from the study that more changes were created during the change program than before the program and that there were also more bottom-up approach changes in the organization because of the organizational change effort. These changes reflected greater staff involvement and buy-in in creating and implementing the change, which had a positive effect on the organization’s adaptive culture as a whole. The decrease in managers’ directive and authoritarian leadership style was a critical factor for increasing staff’s involvement in change and receptiveness to the change process.

Overall, the most noticeable relationship between the change program and adaptive culture related to the “Organizational Learning Capability” dimension. Prior to the change program, staff members had limited learning and sharing opportunities, lack of managers’ support for learning, and a risk-averse mentality. The post-change analysis indicated that the CQI program rectified some of these learning deficiencies, particularly in terms of enhancing “team learning” capability (Senge, 1994). However, both the quantitative and qualitative analysis suggested that learning and sharing beyond individual and small group boundaries was still limited after the implementation of change program. Limited number of formal channels and platforms for people to share their learning (Senge, 1994) suggested that learning was generally isolated and limited to one’s immediate work environment. Thus, even though there was high receptiveness to change and a strong client-centric culture in the organization, the ineffective learning capability limited the organization’s adaptability and threatened the sustainability of improvements in its adaptive culture in the longer term.

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