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Leadership And Cultural Change

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CORPORATE CULTURE AND BUSINESS SUCCESS: THE CASE OF TURKEY

April 13, 2016

Foreign investors and multinational companies often face the difficulty of understanding the **corporate culture in Turkey.** Cultural differences create disharmony, inefficiency and lack of cooperation among business units, which in turn negatively affect business goals. In order to find a solution, leaders are coming under increasing pressure to lead change in organizational culture. They are expected to set a vision and get their employees' engagement. This is, however, easier said than done.

The need of change has never been so urgent before. Turkey has been a competitive investment market for a long time, providing cheap and qualified labour. However, this advantage has disappeared due to the **increasing minimum wages**, decreasing value added production and ascending employee expectations. Various enterprises are trying to preserve their profitability by means of low wages and production pressure. Needless to say, frequently observed outcomes below are not pleasant:

- Communication problems
- Conflict of values
- Lack of common corporate culture
- Disengaged workforce
- Organized labour movements (stoppage, strike, occupation…etc.)
- Decreased productivity and quality.

According to the global survey executed by Gallup, the employee engagement profile of Turkey is relatively low compared with most of the OECD countries.



Source: Gallup The State of Global Workplace Report 2013

Common Culture and Organisational Change

Under these challenging conditions, businesses are striving to create a common culture. However, the vision and mission embedded in the culture are barely adopted by most employees. According to **Kotter International's research** **more than 70%** of the transformation programmes and initiatives fail.

This situation becomes obvious as a result of resistance towards change programs aiming to increase efficiency, quality, and productivity. The underlying reasons are:

- Employees resist change due to the fear of changing their habits.
- They do not think they would benefit from the change.
- They do not trust instructions and managers.

> Research shows that Employees actually trust much more in their colleagues than their managers or supervisors. Therefore, official organisational hierarchy is subordinate to unofficial intimate relations in the matter of change.

Leadership

By embracing the whole organisation both in official hierarchy and unofficial relations, leaders would have a better chance of transforming their organizations into much more sustainable, stronger and competitive business. In other terms, companies should complete the triangle of "leader-follower-vision" in order to be sustainably successful.

At StratejiCo., we suggest an extensive **cultural transformation and behavioural change programme**, which starts with a diagnosis by means of one to one interviews and focus group meetings. The second phase of the programme will spread the leader's vision around the organization with the aim of vision adaptation. And the last stage is the transforming this vision into a participative roadmap with the contributions and commitments of all the stakeholders in the organisation. In this process, leaders have a vital role for the success of change programme. We commonly observe below results that help business leaders in their ambitions:

- Formation of participative mechanisms to contribute the business goals with the changes in working behaviours and habits
- Organizing the unofficial organisational structure around the leader and creating a social pressure (commitment) network in the direction of success.
- Spreading of the common vision shared by everyone around the organisation

Result

The communication and leader's commitment to the programme is vital for the success. Creating their own working stories, projects and contributing decision-making process, employees will be much more engaged and committed for the realization of business objectives.

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