JOURNAL OF BUSINESS ANTHROPOLOGY

Organizing Cultural Change: Leveraging the Four Forces Framework

Matthew J. Hill & Mario Moussa

JBA 11(2): 235-252
Fall 2022

ISSN 2245-4217

www.cbs.dk/jba

DOI:
https://doi.org/10.22439/jba.v11i2.6777

Ron Johnson boasted a stellar resume. Educated at Harvard and Stanford, he spent twelve years at Apple, designing the retail strategy that birthed the fabulously successful Apple Stores. He went on to a stint at Target, where, as vice president of merchandising, he launched the eye-catching line of Michael Graves products and, according to retail experts, made the stuffy company "hip." Then he migrated to J.C. Penney, the ailing low-cost department store chain, where he assumed the top spot in late 2011. At the time, reflecting on why he had taken the job, he said:

> I don't just want to run a business. I want to do what I did at Apple. I want the chance to transform something [...] I didn't come here to improve Penney, I'm here to transform Penney. I think the industry is ready for it, customers are ready for it, and we're going to do it.

Less than a year and a half later, after a stunning $4B loss in revenue and a cratering stock price, Johnson exited stage right (Moussa, Newberry, and Urban 2021: 148).

Ron Johnson's failed change effort at J.C. Penney can be explained using the four cultural forces framework that we describe in this piece. Had Johnson paid attention to the forces and their interplay, his efforts might have had a different outcome. But attending to the forces required a cultural orientation that Johnson lacked. In his rush to change the retail experience at J.C. Penney, Johnson overlooked management consultant Peter Drucker's famous adage that "culture eats strategy for breakfast." Organizational change, in other words, requires cultural transformation. And cultural transformation, as the workplace anthropologists Elizabeth Briody, Robert Trotter, and Tracy Meerwarth (2010: 8) note, cannot take place without beginning with people – their roles, interests, beliefs, values, and relationships. That is why, as Johnson belatedly learned, his top-down approach to organizational change quickly derailed.

Successful change, by contrast, is holistic. It insists that cultural transformation belongs to everyone – from the C-Suite to the factory floor. Driving change without soliciting the viewpoints and perspectives of the whole organization – both about the direction of the desired change and the process for achieving it – has a certain outcome: failed or unsustainable change (Briody, Trotter, and Meerwarth 2010: 12-13).

The four cultural change forces, when combined with a discovery driven approach to understanding specific organizational settings, provides a helpful toolkit for engaging in holistic change management work. Given the constantly shifting environmental factors that modern organizations must respond to – whether pandemics, hyperinflation, supply chain shortages, or rapid fluctuations in consumer demands – the four forces can also create organizations that engage in processes of continuous learning or what Harvard Business Professors David Garvin, Amy Edmondson, and Francesca Gino (2008) refer to as "learning organizations." In this essay, we describe the four forces framework and demonstrate how a regional financial institution applied it to adapt to the pandemic.

The Four Forces and Cultural Change

The first force in the framework is habit. In his book *Metaculture: How Culture Moves Through the World*, the anthropologist Greg Urban (2001), illustrates the nature of habit using the example of language learning by a young child. The child expresses the word "mamma" by imitating the physical expression used by the parent [phonetically, mama]. Whether a word, gesture, bodily posture, facial expression, or attitude, the child reproduces the cultural form "because it is already there." The acquisition of habits is shaped by an individual's history and context. Habits are inherited. And yet they are more than passive. They shape the way we think, act, feel – even our very being. Urban calls them "inertial" to refer to the fact that they will continue unimpeded into the future unless interrupted by some external factor (2001: 15, 19). In a corporate setting, habit might be learned in a corporate onboarding training, through formalized policies and procedures, or by imitating fellow co-workers.

Over time, habits become common sense: "the way things are done around here." The ingrained nature or inertial quality of habits means that they tend to resist change. At the same time, habits have an element of plasticity – under the right conditions, they can change.

Ron Johnson overlooked the forces of habit in his effort to remake J.C. Penney's in the image of Apple Stores. A key component of this strategy was Johnson's decision to end the use of price markdowns and coupons to generate store traffic. Johnson's plan was to replace these gimmicks by offering customers an easy to understand "fair-and-square" pricing policy. But this policy rubbed against the grain of J.C. Penney's habitual customers who were drawn to its stores by the lure of hunting for deals. By eliminating coupons and sales, Johnson's "fair and square" pricing policy confused customers. His efforts to introduce coffee bars and to remove checkout counters further alienated the traditional J.C. Penney's customer (see Tuttle 2013).

The second force is vision. Vision is a product of humans' ability to not only create culture, but to reflect on it as well. Urban (2001) refers to this force as metaculture or culture about culture. Examples include advertising that tells consumers what products to buy or film reviews that exhort moviegoers to watch particular films. In the business world, vision tells the larger story of who an organization is and why it exists. It is communicated in an organization's mission and values statement, strategic plans, websites, official speeches, and standard operating procedures. A strategic plan or formal vision statement typically comes from the top. But to be effective, the vision must have some continuity with its predecessors for it to be recognizable. A vision that is produced too quickly, like Johnson's radical makeover at J.C. Penney, can have a disorienting effect, leaving the beholder with nothing to hold onto, no stable connection to the past. The successful leader, by contrast, has the ability to reflect on the direction of an organization and describe a new course in a way that is recognizable to consumers and employees.[1] Good leaders know how to find the right balance between stressing the continuity in cultural change or highlighting the difference between cultural elements even though they are similar.

Rather than pursue a path of incremental change that maintained some continuity with the culture of J.C. Penney, Ron Johnson engaged in a wholesale makeover. To prove that his vision for J.C. Penney was the right one, he brought in a new management team who had no experience at J.C. Penney and fired more than 40,000 employees while eliminating sales commissions. He also changed the company's logo, rebranding the

---

[1] Urban gives the example of the director Stanley Kubrick's film Dr. Strangelove as a successful visionary film. Rather than create a totally new film with no antecedents, Dr. Strangelove adapted Peter George Bryant's 1958 thriller, Red Alert, by turning it into a "nightmare comedy" (2001: 196).

company to "JCP" in an attempt to make the company hip and chic. Further disorienting customers, he transformed the structure of J.C. Penney's stores, replacing the retailer's private label brands with rows or "streets" of boutiques or shops. Rather than find a balance between the old and the new, anchored in employees' opinions and incremental changes, Johnson's vision disrupted that linkage.

The third force is interest. Interest is a subliminal force, conditioned by the social environment that shapes individuals' aims and objectives. It is grounded in the human need for recognition and operates imperceptibly at the boundaries of the conscious and tacit. It is tied to individual impulses, desires, drives, and affect that are shaped by one's social origins and environment (Grenfell 2008: 165). Like habits, interests are deeply rooted in one's skin. Interest manifests itself in a basic human desire to advance one's position and get ahead. While such interests can be economic, such as the desire to maximize wealth, they need not be. This is because interests are saturated with values. The case of doctors or teachers make this clear. Many such professionals would continue to work in public health or public education even if they did not need the money. A successful organizational strategy then must take interests and desires into account. A strategy that fails to address individual interests for advancement and social belonging will inevitably fail.

Regardless of how compelling Johnson's vision might have been, it operated in a vacuum. While Johnson's idea of a "three-tiered fair pricing scheme" worked well for high-end technology products, it failed to attract the interest of J.C. Penney's shoppers. The latter were also uninterested in hanging out at J.C. Penney's stores in the way that customers desiring to try out the latest technology products might at an Apple Store. Successful change efforts must tap into people's interests. Johnson failed to consider this force in designing his fair pricing strategy, resulting in the steep drop off in sales.

The final force is innovation. Innovation is a byproduct of cultural entropy or drift that disrupts the inertial quality of habit. It occurs when cultural elements, such as the vocabulary or sounds of words in a language, change over time (Urban 2001: 19). In an organizational context, innovation can cause an organization's culture to fragment, like when subcultures develop in siloed parts of a business. But it can also contribute to new ways of doing things, refreshing a sclerotic culture. Rather than the act of a lone genius, innovation is collective: human actions that transform existing cultural practices in ways that a community finds valuable (Moussa, Newberry, and Urban 2021: 213, n. 143). It arises as a form of adjusting or responding to conditions in the external world – like when employees come up with creative solutions to an intractable problem (Wilf 2014: 399). The workplace anthropologists Briody, Trotter, and Meerwarth (2010) describe a fascinating case of innovation at General Motors. Charged with never letting the assembly line stop, the workers developed a creative system of secreting and exchanging tools and parts so that they would always have them when needed (2010: 54-55). The General Motors case shows how the desire to solve problems can lead workers to "game the system" – a case of creativity gone wrong.

Like the workers at General Motors, employees are continuously innovating to solve everyday problems. In fact, as the General Motors case shows, most innovation takes place outside of formal channels. Had Johnson tuned into innovation taking place among employees or included employees in a discussion about broadening the appeal of the J.C. Penney brand, he might have discovered ways in which they could have contributed to a new direction. Successful innovation treats the creativity of employees at all levels of an organization as vital levers of change. Yet, in order to harness the energy of employee innovation, it needs to be guided and supported. Otherwise, it might drive behavior in directions that are counterproductive to broader organizational goals.

Although we discuss the four forces – habit, vision, interest, innovation – as discrete entities above, it should become evident that they operate in practice in a state of continuous interaction. While the inertial force of habit tends towards an endless process of replication of the past, the force of vision (or metaculture), ensconced in decrees, statements, and policies, seeks to steer habit in new directions. If the decrees too rapidly depart from the past, they can engender resistance. Similarly, a vision that fails to harness the force of interest, affect, and emotion can engender repulsion. Innovation can likewise either cause organizational cultures to fragment over time or help an organization adapt to a changing environment.

While leaders like Johnson might benefit from their hierarchical position in an organization, the four forces framework highlights how their ability to effect change is tempered by the organizational culture that they are part of. To bring about lasting change, leaders need an awareness of the cultural context, co-crafting visions that can nudge habits in new directions, attract interest, and harness the force of internal innovation.

Discovery driven research can help leaders tune into the four forces that help drive organizational change. The case of a consulting client that we refer to as Major Metropolitan Credit Union (MMCU) shows how attention to the four forces framework, when combined with discovery driven research, can drive successful organizational change.

Employee Vision and Interest: Organizational Diagnosis at Major Metropolitan Credit Union (MMCU)

MMCU is a non-profit, member-owned organization with over $3.5 billion in assets, 100,000 members, and 14 branches. It was originally established as the credit union for a major teachers' association and has since expanded to include labor union members, public employees, small businesses, and non-profit organizations, as well as a variety of tech companies. Embodying the cooperative principles of equality, equity, and mutual self-help, MMCU consciously invests in low-income communities, encourages staff to volunteer in grass-roots organizations, sponsors youth athletic teams, and supports small businesses development. For these and other reasons, MMCU's employees do not refer to MMCU as a "bank" per se, but as a "financial institution" that exists for the purpose of serving its members and the local community.

Our work with MMCU began in June of 2018. Shortly before, MMCU's new CEO approached one of us (Mario) about helping to strengthen its organizational culture. The CEO articulated a concern that MMCU's employees lacked a certain "fire in the belly." In subsequent interviews with members of MMCU's senior leadership team, we heard comments like MMCU had a hard time defining its values. MMCU did not have the ability to tell its story. And MMCU lacked shared rituals.

To more deeply understand MMCU's culture, we conducted over 65 in-depth interviews and two weeks of observations with employees at its corporate and branch locations. The interviews focused on three of the forces in the four forces framework: employees' vision and interests as well as habits – how work typically got done at MMCU. In these conversations, we talked to employees about their experience working at MMCU and where they thought the organization was headed.

These conversations revealed a tension between an older, relationship driven culture and a new, more metric-driven culture that the new CEO hoped to implement. While the older culture was characterized by a sense of trust within departments, it also had the drawback of favoritism and inconsistency. The more formal, metric-driven approach, on the other hand, seemed fairer, but, to some employees, it could also feel uncompassionate and bureaucratic.

The older, relationship driven MMCU was very paternalistic. It was run by a CEO who walked the halls, wiping the desks of employees with a white glove to make sure they were clean. One employee used the word "dynasty" to describe social relationships at the old MMCU. There was little opportunity for advancement unless you were part of the ruling clan. Not surprisingly, the old MMCU had a culture of favoritism, which contributed to employees' feelings of outsiderness.

We also heard that MMCU's departments were siloed. When asked to draw pictures of what it felt like to work at MMCU, and what it would feel like in the future, one employee drew an image of different villages or hamlets on one side of a piece of paper. On the other side, she drew an image showing a path to the future in which everyone lived in the same village. Other employee images repeated this theme: a disorganized MMCU with people walking down different paths was juxtaposed with images of people walking hand in hand, sitting on the same bus, or riding together on a big bicycle. With the arrival of the new CEO, MMCU's employees did not want to go back to the old siloed and paternalistic way of working. They desired more connections across the business.

While the new MMCU was more dynamic and engaging, the organization failed to embody the modern, metrics driven culture that the new CEO envisioned. Contributing factors included a lack of clarity about the shared values and norms that would define the new MMCU culture. Employees were also uncertain about their roles and responsibilities. This contributed to a gray space: situations in which employees were expected to make actual business decisions but lacked the training to do so.

Reshaping Habits: The Four Forces and Pilot Projects

Growing out of this diagnostic work, MMCU's leadership and employees held a series of roundtable discussions. The discussions culminated in a decision to adopt a new set of core values. The values focused on improved listening (giving and receiving constructive feedback), continuous learning, and putting member service first. Leadership and employees encapsulated this vision in the terms of what came to be known as the three values: Listen. Get Better. Do What's Right. Defining the values was a way for MMCU's employees to affirm a set of shared interests that they collectively held and, in the process, an intent to reshape the inherited, habitual behavior of the siloed, hierarchical, MMCU culture. Yet, the values remained a work in progress. Employees needed to figure out what the values meant and how to embody them in their daily roles and responsibilities.

To create habits that supported the values, MMCU's leadership and employees instituted a series of pilot projects in April 2019. The pilots aimed to connect employees' vision and interest in a more collaborative and self-empowering workplace with the CEO's desire to create a more self-empowered, metrics-driven culture. MMCU used the pilot projects as a means of bringing attention to problematic processes and designing new sets of practices to overcome these barriers. By doing so, it promoted new patterns of behavior that improved the quality of collaboration while enhancing the member experience.

By reflecting on existing habits, seeking to reshape them in keeping with employees' vision and interests, and harnessing the power of small-scale innovation, pilot projects channel all four of the cultural forces. Pilots are contexts in which participants collectively examine existing patterns of behavior, experiment with new ways of doing things, critically reflect on the newness, and make assessments about whether the change results in betterment or improvement of existing processes. Pilots are then ways of disrupting the rote reproduction of existing habits in organizational settings. They draw on organizational research to examine practices, create arenas of public debate, and improve established routines, generating newness in the process (Urban 2001: 235, 270).

For instance, the Team-of-Teams pilot aimed at breaking down the silo between MMCU's branches and call center.[2] This silo led to discrepancies in handling common member issues, undermining service quality, and creating frustration amongst employees. To break down this silo, staff from the call center and branches began meeting together regularly to identify the most common member issues and best practices for dealing with them. The issues that rose to the surface included member requests to reset PINs, waive fees, and release check holds. The pilot team not only developed solutions to these issues, but also a new training module to communicate these expectations to staff. They also updated MMCU's Policies and Procedures to help institutionalize the new practices.

Another pilot, the Purposeful Shadowing pilot, supported cross-departmental collaboration by empowering the Account Services Department to train branch, call center, and loan servicing employees to process electronic payments (known as ACH). Participating employees shadowed account services employees in three-hour time blocks, learning how to set up ACH payments and practice real-time with live member requests. Shadowees were given the opportunity to reflect on the new habits they were learning by filling out structured learning guides in which they could record observations, questions, and key takeaways.

A third pilot, the Career Path Mapping pilot, disrupted the old dynasty culture by creating viable alternate career paths through MMCU. This improved both employee engagement and retention. It also smoothed the progression from member-facing to management roles in the branches, which highlighted the value of promoting employees from within the company. In the context of this pilot, the project team developed planning materials that helped employees design their own career journey at MMCU. This included transitions into management roles in the branches or specialized roles at headquarters.

---

[2] The term team-of-teams is based on the bottom-up principles of transparent information sharing or "shared consciousness" and decentralized decision-making that allows for "empowered execution" by those closest to the scene of action. A team-of-team arises when actionable and visible connections are made between teams and teams are given the authority to act based on business context and priorities. By creating a team-of-teams, a large organization can capture at scale the agility of small teams (McChrystal 2015: 18-19).

To keep the pilots aligned, we supported the pilot teams with facilitated, bi-annual meetings. Engaging employees about their vision and interests, modeling new behaviors through the pilot projects, and creating an opportunity to reflect on the practices in the bi-annual meetings helped to nudge MMCU's culture in a more collaborative and engaged direction. These efforts did not only help to break down departmental silos, but also to build an enhanced member service culture. By doing so, the consulting work made MMCU a more adaptable and resilient organization. These qualities served MMCU well in the context of the COVID-19 pandemic.

Tracking Innovation: Post-COVID Breakthroughs

In January of 2020, MMCU was coming off one of its most successful years ever when the COVID-19 pandemic struck. Member satisfaction scores had climbed to an all-time high. Profitability measures pointed to impressive financial strength. And ambitious plans to build new branches were forging ahead. Yet, within a few short weeks, the arrival of the SARS-CoV-2 virus changed everything.

In March 2020, MMCU's leadership responded by ordering all non-branch staff to work remotely. Over the ensuing weeks, the IT department sent HQ staff home with desktop computers (due to a shortage of laptops) and set up an internal VPN to manage all employee communications. In addition, MMCU had to negotiate an 80% drop in branch business, a skyrocketing rate of missed auto and mortgage loans, and an explosion of mortgage refinancing requests driven by a steep drop in federal interest rates.

In this context, MMCU's leadership reached out to us for help to understand the impact of COVID-19 pandemic on their organizational culture and how they should adapt to their "new normal." They also sought guidance on any best practices that we could share.

In response to the leadership's request, we turned to one of the four forces: innovation. As previously discussed, innovation often arises when employees are forced to figure out creative solutions to internal mandates or external challenges. It typically involves tinkering around the edges to solve nagging problems with a process, product, or service. Tuning into the power of innovation, we set out to document the changes taking place in MMCU's workplace culture due to the pandemic.

We proceeded by identifying innovative "breakthroughs" in MMCU's workplace culture (barriers that were removed, processes that changed) under COVID, and to build on them by understanding how they originated, got evaluated, and approved (O'Boyle and Hickman 2020). In addition to in-depth interviews with leadership and staff, we also engaged a team of "culture journalists" (a mix of frontline and back-office staff).

The journalists acted as our eyes and ears, photo-documenting the workplace-related changes taking place in home environments, the corporate headquarters, and branch locations.

We subsequently communicated the breakthroughs in a series of virtual town halls, heightening their visibility and levels of employee engagement, while, hopefully, accelerating organizational change. By shining a spotlight on the new ways of working, we hoped to draw others into conversation about the changes underway and their social impacts, promoting cultural reflexivity. Such reflexivity can help accelerate new patterns of cultural uptake such as the adoption of new digital tools and technologies.

In the case of MMCU, we discovered several important innovations. First, the shift to remote work freed employees from long commutes. A back-office branch manager, a self-described “super commuter,” was typical in this regard. Prior to the pandemic, he would leave his home at 4:45 AM so that he could drive to the office in 70 minutes, rather than the two to three hours it would take him if he left at 5:30 AM. To bide his time until the office opened, he would take a nap in his car or go for a walk before working an eight-hour shift. He would then leave the office at 5:00 or 5:30 to negotiate the two to three hour return trip home. Working from home, he found it easier to focus, since he was less distracted and had the ability to do nearly all his work virtually.

Remote work also boosted employees’ productivity. For instance, a call center manager described how remote work gave him the flexibility to organize his workday in ways that allowed him to accomplish more while reducing stress. He explained how he had his eight-hour at work to get things done. But if there was anything left over, he could log back into headquarters after dinner, when his kids were in bed, and take care of any remaining work. His ability to VPN into his workplace computer from home meant that he could always be ahead of the curve. Rather than commute to the office to complete his reports before his regular 8 AM meeting with executive management, he could now finish them in the evenings at home. This made his mornings more relaxed. As a result, he felt de-stressed. He did not experience the same type of time crunch that he previously did.

The pandemic also spurred employees to invent new digital work processes. This allowed them to accomplish tasks remotely that previously had required paper-based processes on site. The wire transfer process was a case in point. One employee described how, while working at headquarters, the staff member initiating the wire transfer had to print the wire transfer form and photocopy the member’s ID, before gathering the requisite Office of Foreign Asset Control (OFAC) pages (required to prevent fraud), supporting documents, and a checklist. These documents provided a second person, charged with verifying the wire, with a physical paper trail to review. With the shift to remote work, the wire transfer team did not want to lose this dual approval process. So, they developed a new routine that relied on a system of online folders and remote signatures. It worked so well that it was quickly adopted as the new norm. Overnight, wire transfers went from being paper based to being fully remote.

Finally, remote work contributed to heightened contact among departments. Several departments switched from quarterly, in-person meetings to short, daily morning check-ins on Zoom. Other departments developed a new content management system with remote folders for sharing documents online. And the Chief Information Security Officer (CISO) used the pandemic as an opportunity to accelerate MMCU's cloud migration plan so that employees could connect to the credit union from anywhere.

By documenting the many types of innovative practices taking place spontaneously with the transition to remote work, we helped MMCU capture and codify these changes. We communicated them to the rest of the organization by organizing a virtual town hall. The town hall helped MMCU draw other employees into the energy of the incipient digital changes taking place, promoting dialogue and reflexivity.

The post-COVID breakthroughs research and the virtual town hall created an opening for us to introduce the idea of digital transformation to MMCU's leadership. In the aftermath of the town hall, MMCU's leadership decided to refocus its culture change work on developing a comprehensive digital transformation strategy. This renewed focus grew out of a need, foregrounded by the COVID research, to improve MMCU's ability to serve its members remotely, while enhancing the quality of collaboration among its newly hybrid workforce. These dual goals, in turn, required MMCU to improve the quality of its core operating processes and the technologies supporting them.

Reshaping Habits: Enacting Digital Change

To implement its digital change effort, MMCU launched a new series of pilot projects to address troublesome operational issues that might benefit from digital technologies. As previously noted, pilot projects funnel all four of the cultural forces by documenting and encouraging reflexivity about the limits of existing habits and harnessing the power of interest and innovation to transform them.

The Harvard Business Professors, Garvin, Edmondson, and Gino (2008) refer to such pilot teams as a critical ingredient to forming what they call a "learning organization." They urge organizations to use pilot teams to promote active processes of research and data gathering on operational issues, customers, and technology trends. But to create such teams, they suggest that leaders commit time and resources to problem identification, active reflection, and knowledge transfer. They also advocate creating what they call "psychological safety" in organizations so that employees can express their viewpoints freely, report mistakes, and try out new ways of doing things. By encouraging such practices, they believe that leaders can create resilient organizations capable of adapting to changing circumstances like the COVID pandemic and remote work.

MMCU embraced digital pilot research teams as a way to further the momentum of workplace changes ushered in by the COVID-19 pandemic. These pilot projects focused on four troublesome operational issues. They included: improving MMCU employees' ability to communicate about its digital product and service offerings; enhancing the quality of cloud-based collaboration tools for employees; and augmenting MMCU's member service request system. Not each of these issues necessarily focused on big, earth shattering, digital company makeovers. But they did not need to.

The Columbia business professors, Rita McGrath and CEO Ryan McManus (2020), in an article entitled "Discovery-Driven Digital Transformation," recommend that organizations begin their journeys of digital change by focusing in on everyday operational issues that pose challenges or require cumbersome workarounds. They suggest that these are areas that digitization can likely improve. In our experience, they can also point the way towards further areas for digital technology adoption, leading to a kind of virtuous circle. In McGrath and McManus' case, they suggest that teams conduct research on the troublesome processes and then look for ways in which to redesign these processes so that technology adds value. Once teams have identified the problem areas, studied the causes of the problems, and proposed solutions, they further recommend that teams identify metrics to measure their progress. By starting small, working with a portfolio of experimental projects and demonstrating financial or productivity impacts, McGrath and McManus maintain that organizations can learn their way into a digital strategy.

This is exactly the path that MMCU pursued with its service request and other pilot projects. In the case of its service request pilot, we supported MMCU's pilot team in conducting in-depth interviews with frontline staff as well as the service request desk managers in every department. The interviews focused on each employee's perspective on the steps involved in the life cycle of a typical service request and the associated friction points. We then worked with the pilot team to create a process map showing the relationship between the various steps and the breakdowns or "friction points" associated with each one (see Figure 1).

The pilot team members then organized a workshop with the desk managers, using the process map as a communication tool to discuss ways to address the various friction points. The friction points labeled in

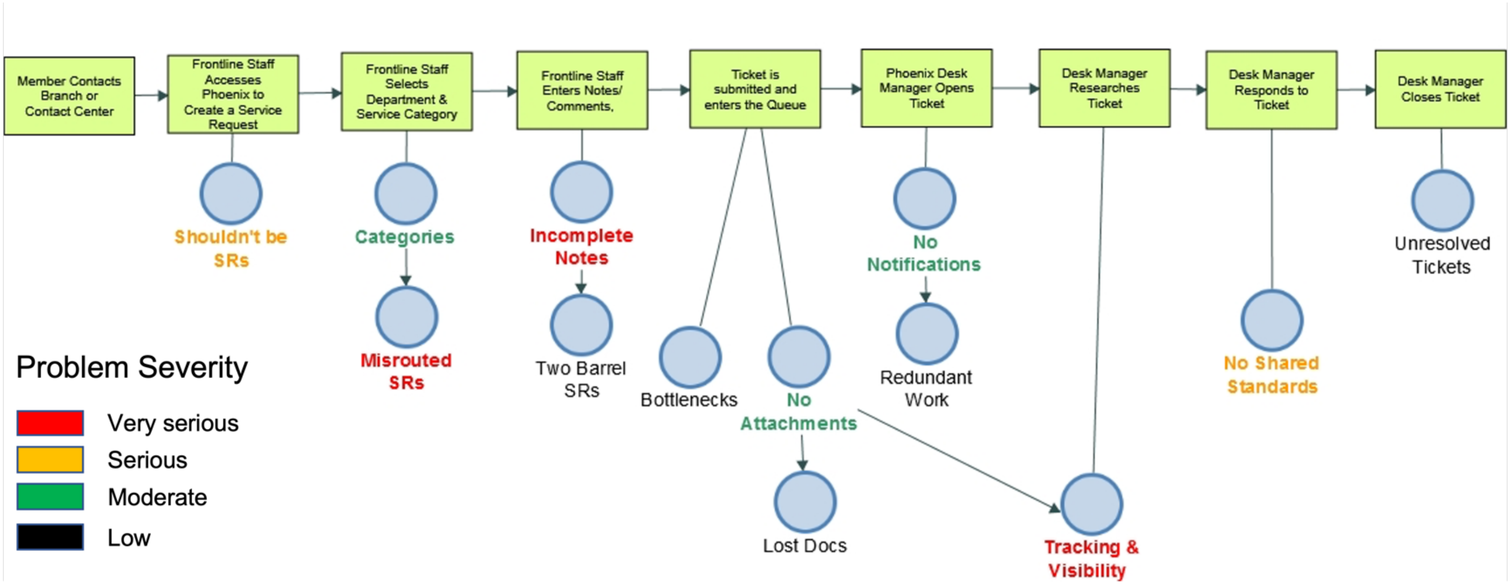

Figure 1. Process map.

red and yellow received particular attention since they were most frequently mentioned in the interviews. The process map showed, for instance, that front line staff frequently initiated member service requests for issues that they could have resolved directly with the proper training. Similarly, back-office departments created too many service request categories for frontline staff to easily manage, resulting in misrouted service requests. The failure of frontline staff to provide detailed information in the notes section of service requests similarly resulted in a lot of back-and-forth e-mail traffic. By the end of the workshop, the desk managers identified resolutions for each of the friction points. They also agreed on a set of standard response times for each type of service request. Longer term, they also discussed the possibility of adopting a cloud-based Customer Relationship Management (CRM) system to replace the legacy service request system.

Through the agency of the process map, the pilot participants gained visibility into the troublesome aspects of the overlapping, interdependent routines that comprised each service request. They then modified their actions in ways that reduced errors while expediting the average service request delivery time. These performative changes were subsequently codified in a service level agreement (SLA) that defined standard response times and how the service request procedure should be carried out in the future (cf. Feldman and Pentland 2020, 2003).

From Pilot Projects to a Digital Vision

MMCU's digital pilot projects laid the groundwork for developing a shared digital vision. As noted at the outset, a vision statement tells the story of who you are as an organization and why you exist. In order to be effective, a vision must be embraced throughout the organization. The most effective visions tell a story that knits the purposes the employees have into a larger vision. The vision then becomes a master narrative that links up lots of different individual narratives.

We were a year into the pandemic when MMCU's CEO exclaimed: "We need to have a shared vision and digital roadmap." By crafting an organization-wide digital vision, the CEO wanted to ensure that the operationally focused pilot projects discussed in the previous section had a clear North Star. In this respect, the leadership sought clarity about the digital vision to ensure that the pilot teams were rowing in the right direction. They also sought to ensure that the objectives of the business units aligned with the overarching digital strategy.

The futurists, Mark Johnson and Josh Suskewicz (2020), in their book *Lead from the Future: How to Turn Visionary Thinking into Breakthrough Growth*, describe one way to arrive at a compelling future vision. But before engaging in futuring, they lay out a caveat. Leaders should be wary of what they call the "present forward fallacy" – the idea that organizations can simply extend their current way of doing things into the future through incremental improvements. Blackberry learned the limits of that approach on January 7, 2007. That was the day that Steve Jobs unveiled the first Apple iPhone – an iPod, phone, and internet communicator in one device with a digital touchscreen. Research in Motion's decision to ignore Apple's threat and continue incrementally improving the Blackberry led to its loss of the handset war by 2013.

The story of Blackberry is the reason why Johnson and Suskewicz urge leaders to extend their visioning horizon to a distant future and then work backwards to the present. To be exact, 5-7 years in the future, where the horizon appears fuzzy, like an impressionist painting. To identify that future, they challenge leaders to identify key "inflection points" in their industry. In the automotive industry, they point to autonomous vehicles. A world dominated by driverless cars would not only make car ownership obsolete, but see auto insurance rates plummet, ridesharing fleets boom, and auto manufacturers cede ground to tech companies like Google and Apple.

Following Johnson and Suskewicz's lead, we embarked on a round of discovery driven interviewing, encompassing MMCU's entire leadership, key board members, and a swath of visionary consultants. In driving those conversations, we sought answers to a set of core questions: What disruptive technologies could significantly change the cost-value equation of the financial services industry? How might these technologies impact the way that MMCU conducts its business? What type of financial problems might MMCU's members be trying to solve in 2030? How could MMCU help solve these problems? How might MMCU's working environment shift in response to changing markets and member needs?

Through these in-depth, multifaceted conversations, one key disruptor surged to the top: embedded finance. In their recent book *Embedded Finance: When Payments Become an Experience*, the fintech thought leaders Scarlett Sieber and Sophie Guibaud (2022) distil the essence of embedded finance: your money appears instantly and transparently in any context. Whether making a purchase with a smartphone in the grocery store, opting for buy-now-pay-later at the point of sale, or tipping an Uber driver through the Uber app, the embedded financial solution acts as an invisible enabler of the seamless customer experience at the point of context.

Steve Williams, the President of Cornerstone Advisors, further clarified the challenge of embedded finance, noting how it had pierced the moat that formerly protected the banking and credit union industries.[3] By breaking down the financial services that banks and credit unions offer into its component services or “use cases” (for instance, making a payment, transferring money, borrowing money), financial technology companies (known as fintechs) have succeeded in embedding commerce anywhere. Examples might include Starbucks storing currency on a stored value card, Lyft offering a debit card to Lyft drivers, or Amazon allowing small business owners to borrow money against their receivables.

In our work with MMCU, we captured the essence of this and other disruptive threats. We then facilitated a discussion with the leadership about how MMCU’s business model might morph in response to these threats. From the conversation, it became clear that MMCU needed to continue to rely on easy payment and money transfer solutions like Zelle and Transfer Now. Given MMCU’s size, they also needed to partner strategically with fintechs that could help them in areas like digital onboarding, loan origination, and identify verification. In order to forge such partnerships, MMCU also needed to leverage its custom coding capabilities to gain access to real time data, eliminate data silos, and leverage the benefits of A.I. driven data analytics.

Each of these future directions formed a plank of MMCU’s vision statement. A good vision statement, as Johnson and Suskewicz (2020) note, should be more than a generic phrase or two. In fact, it should tell a succinct story in a couple of paragraphs about what the future will hold, what it means for your organization, and how your organization will shape the future. They also challenge organizations to consider new growth opportunities that might leverage core capabilities, but in new and distinct businesses, with new business models. In the case of MMCU, for instance, they explored the idea of expanding their reach in the area of small business lending. They also discussed pursuing a partnership with a fintech partner to help them develop a suite of small business products.

[3] Interview with Steve Williams, Cornerstone Advisors, Feb. 22, 2022.

They then incorporated these ideas into their vision statement. In the end, the vision told the "what and why" of where they were headed, and "how" they planned to get there.

Conclusion

The four forces framework can help leaders understand and foster change in the organizations that they manage. By cultivating the four forces like a gardener who creates the right environment for plants to grow, leaders can engage employee opinions to create shared stories about an organization's direction, cultivate employee interests in doing meaningful work, adjust habits to accommodate changing circumstances, and listen in for job related innovation stories (cf. Moussa, Newberry, and Urban 2021: 55-78). The forces remind leaders of important questions to ask about what is going on in an organization: Where do they think the organization is headed? What goes without saying? What motivates employees? Where might pieces of the future reside?

In the case of MMCU, the forces provided us with a useful starting point for understanding what was happening inside MMCU as an organization. Through deep listening, we heard employees' interest in a more collaborative organization and a clearly defined pathway for getting ahead. MMCU's leadership addressed those desires through a series of pilots focused on cross-disciplinary collaboration, workplace shadowing, and career pathing.

When the COVID pandemic struck, MMCU's progress in working across silos placed it in good stead to adapt to its changing circumstances. An early focus on emerging innovations enabled MMCU to nurture new forms of workplace productivity that arose spontaneously in response to remote work. Organization-wide reflection on these innovations led MMCU's leadership to refocus its cultural change efforts on digital transformation. By addressing friction points in digital collaboration – managing member service requests, educating members about digital products, enhancing digital collaboration tools – MMCU created opportunities to redesign troublesome processes by leveraging digital technologies. The digital pilot projects in turn led to the discovery of new business opportunities related to cloud solutions and fintech partnerships. We subsequently captured these opportunities in the digital visioning work. The digital vision also provided access to new business channels and a means for adding future members.

As is evident in the case of MMCU, organizational change is continuous. People at every level must contribute productively to the change process. Cultural change in this respect is dynamic and on-going. By embracing change, organizational leaders can direct the process of change, albeit in limited ways. MMCU in this respect differed from J.C. Penney's under Ron Johnson. Rather than impose a top-down vision, MMCU's leadership accepted the idea that its culture had a life of its own. While they could shape that culture – by harnessing the forces of habit, vision, interest, and innovation – they avoided Johnson's mistake of a wholesale makeover. Instead, they nudged the culture in new directions, ensuring continuity with the old culture, while encouraging the art of the new.

References

Briody, E. K., Trotter, R. T., and Meerwarth, T. L. 2010. *Transforming Culture: Creating and Sustaining a Better Manufacturing Organization*. New York: Palgrave MacMillan. https://doi.org/10.1057/9780230106178

Feldman, M. S. and Pentland, B. 2020. "Organizational Routines and the Macro-Actor." In B. Czarniawska and T. Hernes (eds.), *Actor Network Theory and Organizing* (pp. 95-116). Lund: Studentlitteratur.

Feldman, M. S. and Pentland, B. 2003. "Reconceptualizing Organizational Routines as a Source of Flexibility and Change." *Administrative Science Quarterly* 48(1): 94-118. https://doi.org/10.2307/3556620

Garvin, D. A., Edmondson, A. C., and Gino, F. 2008. "Is Yours a Learning Organization?" *Harvard Business Review* 86(3): 109-16.

Grenfell, M. 2008. "Interest." In M. Grenfell (ed.), *Bourdieu: Key Concepts* (pp. 151-168). London & New York: Routledge. https://doi.org/10.1017/UPO9781844654031.014

Johnson, M. W. and Suskewicz, J. 2020. *Lead from the Future: How to Turn Visionary Thinking into Breakthrough Growth*. Boston, MA: Harvard Business Review Press.

McGrath, R. and McManus, R. 2020. "Discovery-Driven Digital Transformation." *Harvard Business Review* 98(3): 124-33.

Moussa, M., Newberry, D., and Urban, G. 2021. *The Culture Puzzle: Harnessing the Forces that Drive Your Organization's Success*. Oakland, CA: Berrett-Koehler Publishers.

O'Boyle, E. and Hickman, A. 2020. "3 Ways to Create a Necessary Culture Shift Amid COVID-19." *Gallup.Com*. Retrieved December 7, 2022. https://www.gallup.com/workplace/309485/ways-create-necessary-culture-shift-amid-covid.aspx

Sieber, S. and Guibaud, S. 2022. *Embedded Finance: When Payments Become an Experience*. Hoboken, NJ: Wiley.

Tuttle, B. 2013. "The 5 Big Mistakes That Led to Ron Johnson's Ouster at JC Penney." *Time*, April 09. https://bit.ly/3AW1pQK.

Urban, G. 2001. *Metaculture: How Culture Moves through the World*. Minneapolis, MN: University of Minnesota Press.

Wilf, E. 2014. "Semiotic Dimensions of Creativity." *Annual Review of Anthropology* 43(1): 397-412. https://doi.org/10.1146/annurev-anthro-102313-030020

Matthew J. Hill, president of Matthew J Hill Consulting, is a business anthropologist and organizational development consultant with extensive experience working with clients in financial services, technology, and government. He has published widely on business organizational issues including recent articles on digital transformation in CU Management and a forthcoming article on intrapreneurship for the Kauffmann Foundation. He holds a PhD in anthropology from the University of Chicago where he conducted research on World Heritage Cities around the world.

Mario Moussa is president of Moussa Consulting and an affiliated faculty member in the College of Liberal and Professional Studies at the University of Pennsylvania. His work has been featured on NPR and in Time, Businessweek, U.S. News and World Report, Fortune, Forbes Inc., Entrepreneur, Economist, and the Financial Times. He is the co-author of the bestseller *The Art of Woo* and *Committed Teams*.