



Inside Track Research Note

In association with



Technology as a catalyst for cultural change

Time for a more
inspirational
approach?

December 2016

About this Inside Track

The research upon which this Inside Track is based was independently designed and analysed by Freeform Dynamics Ltd. Data was gathered via an online survey executed in collaboration with a mainstream IT news site. 170 responses were gathered from IT professionals across a range of industry sectors, geographies and organisation sizes. The study was sponsored by Red Hat.

No matter how much you optimise your own performance, it's sometimes not enough; in order to succeed, you must get others to 'up their game' too.

In a nutshell

IT departments can do a lot to improve performance by optimising the infrastructure and the way they work internally, but the level of success ultimately depends on the prevailing business culture. Recognising this is important to achieving the best results. It is also key to understanding how the smart and creative use of technology can inspire business stakeholders and give any organisation a cultural boost.

Mastering your own destiny

The question of what it takes for an IT team to succeed frequently comes up in relation to emerging technologies and new approaches to service delivery. Some argue that adopting cloud will boost performance, others say the key is modern, simplified infrastructure, datacentre automation, agile development, DevOps or whatever else they are advocating or promoting.

Of course the reality is that successful IT departments tend to take advantage of the latest developments in all of these areas, and more. You'll find lots of evidence for this in our research library at www.freeformdynamics.com. Time and again we find that the trick is not to look for magic bullets, but to apply the right blend of technologies, services and techniques, along with the necessary knowledge and expertise.

In the study reported here, however, in which data was gathered from 170 IT professionals via an online survey, we looked beyond the IT systems and the inner workings of the IT team itself, to consider some of the external factors that impact IT's activities and influence how well it performs.

The results confirm a principle that many of us instinctively recognise, but that it's easy to forget and often hard or uncomfortable to act upon. No matter how much you optimise your own performance, it's sometimes not enough; in order to succeed, you must get others to 'up their game' too. In the context of IT, this can mean encouraging and enabling different kinds of behaviours within the business.

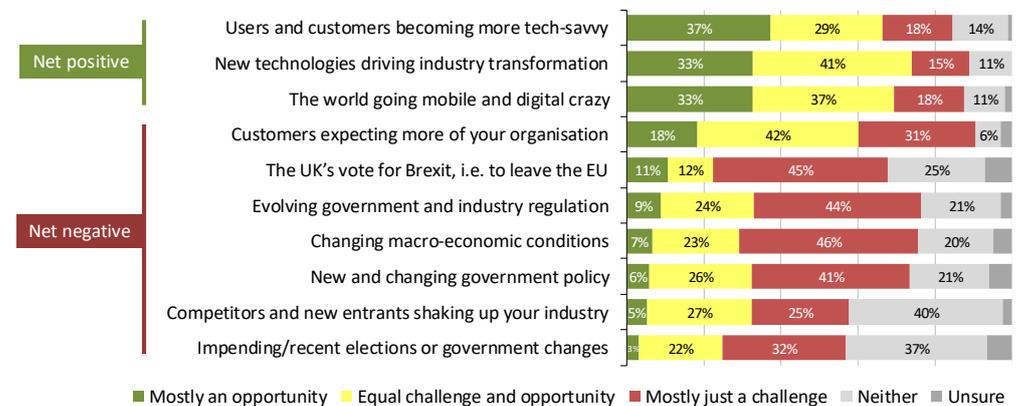
But before exploring this further, let's first review some important context.

Big picture influence and response

IT exists to support and enable the business, so it's useful to remind ourselves of the kind of macro-level trends and events that ultimately drive demand (Figure 1).

Figure 1

Are any of the following an opportunity or challenge for your business?

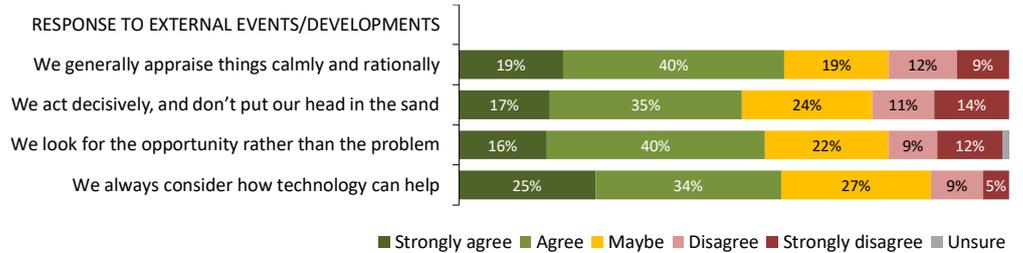


The way you view trends and events often depends on the nature of your organisation.

Figure 2
How much do you agree or disagree with the following statements?

The items listed on the above chart are self-explanatory. What’s most interesting is the variation in how positively or negatively each is viewed. Given that most organisations are likely to be affected by many of the factors identified, this suggests that whether you view something as an opportunity, challenge or both is more about the nature of your organisation, than it is about the trend or event itself.

This interpretation is reinforced when we look at the differences in how organisations tend to respond to external events and developments in general (Figure 2).



At this point your mind may be drifting off to consider how things are in your organisation. When something significant happens that in itself is beyond your organisation’s control but is going to impact your business one way or another anyway, how does your management team react? Do they get people together to calmly and rationally appraise the situation, looking for any opportunities along the way, then act decisively? Do they throw their arms in the air in panic, and create an atmosphere of crisis that gets everyone working against each other? Or, perhaps they just stick their heads in the sand and hope it will all go away.

The answer will be significantly influenced by broader cultural traits.

Organisational ‘personality’

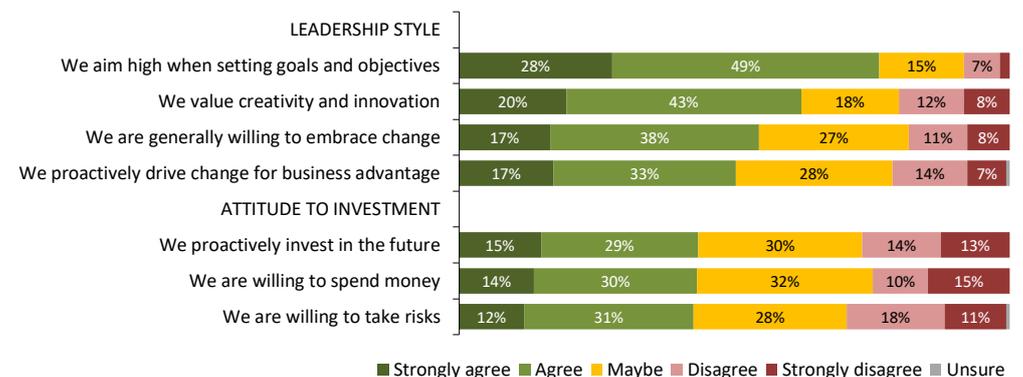
When we began researching technology trends and developments over a decade ago, it didn’t take long for the team here at Freeform Dynamics to discover the dangers of over generalisation. While IT marketers and industry pundits often make sweeping statements about agendas, issues, aspirations and so on, the reality is that these vary hugely from one business to the next.

In reality, the way those running the business define problems and objectives, their view of IT and IT investments within this, and the returns they get from the investments they make, are heavily influenced by their prevailing culture and mind-set. We can think of this as akin to organisational ‘personality’, which can be assessed by looking at a range of key attitudes and behaviours (Figure 3).

Agendas, issues and aspirations vary hugely from one business to the next.

IT investments and associated returns are heavily influenced by the prevailing business culture and mind-set.

Figure 3
How much do you agree or disagree with the following statements?



If you think culture is about fluffy, intangible, touchy-feely stuff then think again.

And if you think a lot of what we see here is fluffy, intangible, touchy-feely stuff that should be confined to management consulting handbooks, think again.

The tendency towards panic and crisis creation, for example, which is something that makes everyone’s life a misery, as well as negatively impacting business outcomes, is strongly related to an organisation’s attitude to change. There is then a direct relationship between how much creativity and innovation are valued, and an appreciation of how IT can help the organisation deal with an industry trend or development (Figure 4).

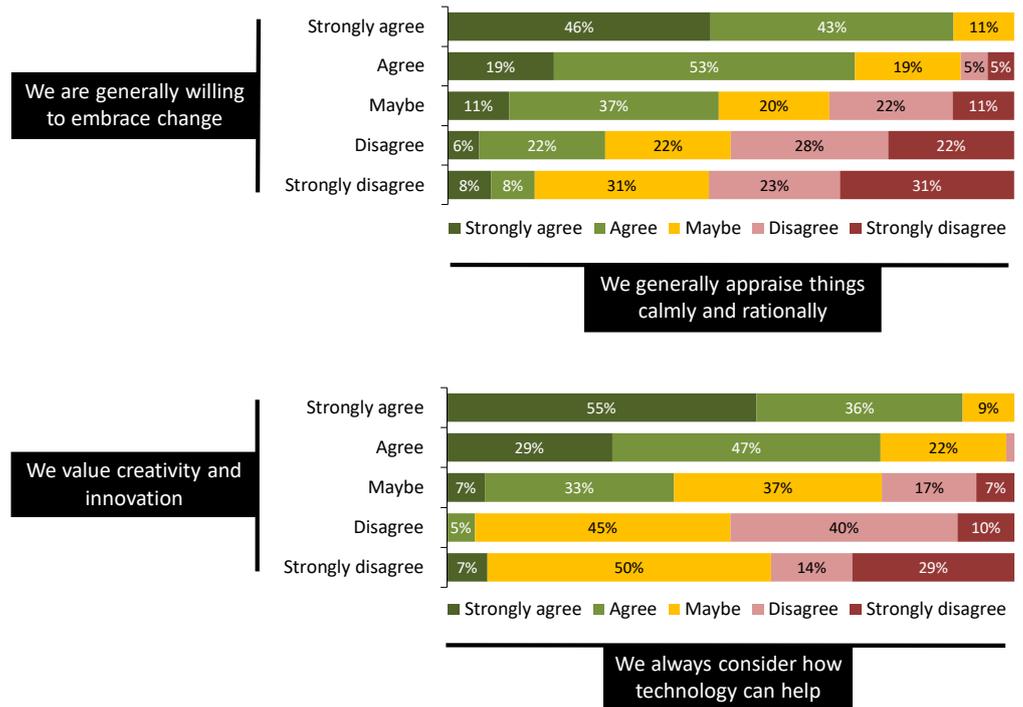


Figure 4
Relationship between culture and response to external events

We see a strong relationship between business aspiration and a propensity to invest in the future.

We have just pulled out a couple of examples here to illustrate the principle of how cultural traits impact the response to macroeconomic trends, the changing competitive landscape, evolving customer behaviour, regulatory events, and so on.

While we don’t have space to show them all here, similar correlations exist between other personality traits in the way you would expect.

An additional correlation we will pull out before continuing illustrates the relationship between aspiration and a propensity to invest in the future (Figure 5).

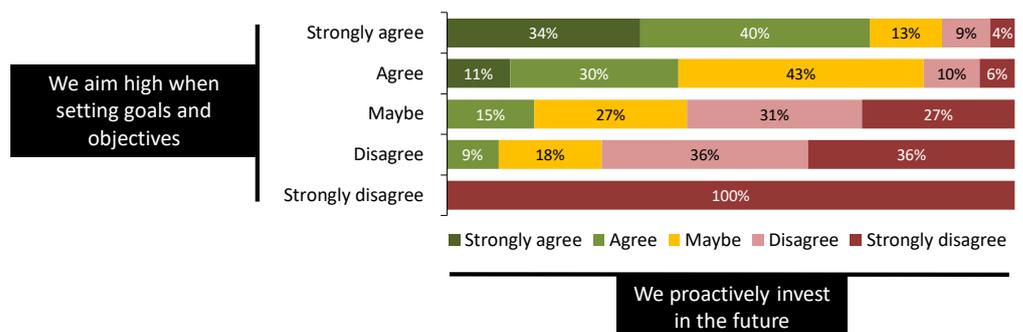


Figure 5
Relationship between aspiration and proactive investment

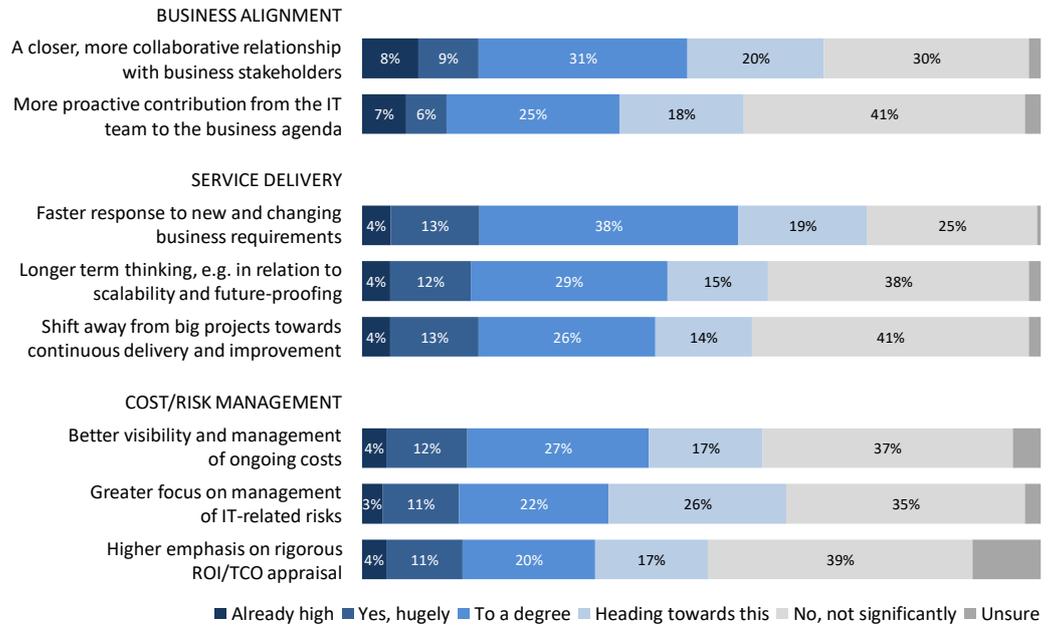
This brings us back to the role of IT and related investment activity.

As external events and developments act on your organisation, it's not long before the consequences are felt within IT.

IT imperatives

Almost all businesses today are clearly highly dependent on technology. As external events and developments act on your organisation as a whole, it's therefore not long before the consequences are felt within IT. As a result, many report a greater emphasis on various aspects of business alignment, service delivery and cost/risk management (Figure 6).

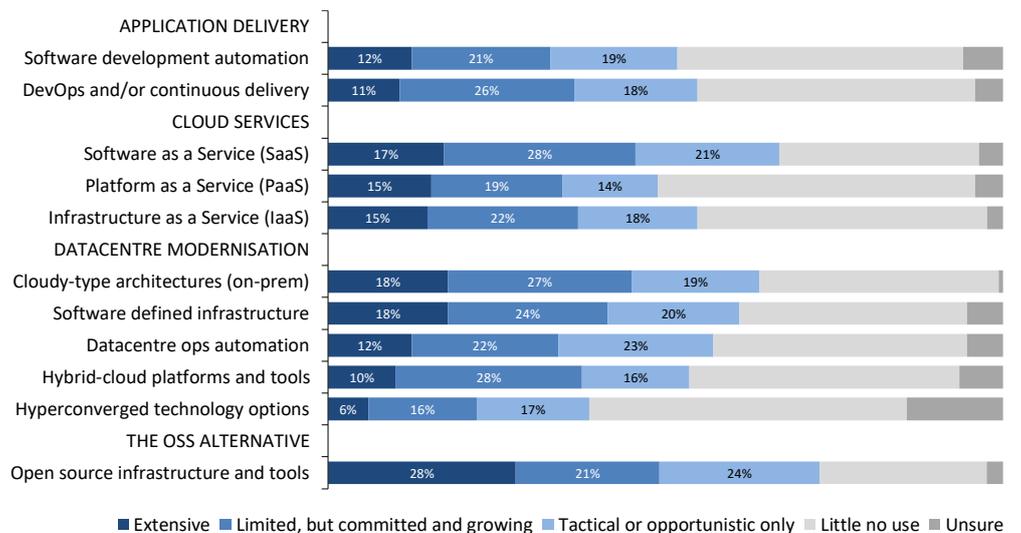
Figure 6
Turning to the IT team, have the kind of trends, developments and behaviours mentioned earlier led to a greater emphasis on the following?



You don't want to be constantly fighting old, rigid and fragile infrastructure.

All of what we see here makes absolute sense. If, however, you are going to work more proactively with the business, deliver quickly and continuously, and manage costs and risks effectively along the way, you don't want to be constantly fighting old, rigid and fragile infrastructure. Neither do you want to be held back by methods conceived in the last century. It is therefore not surprising to see many highlighting adoption of modern technologies, services and methods (Figure 7).

Figure 7
Thinking about how all this maps onto infrastructure, tools and other technology options, how would you sum up your use of the following?



As we look at these last two charts, we see the theme of variability coming through strongly again. That's because culture and mind-set have an influence here too.

The impact of business culture on IT

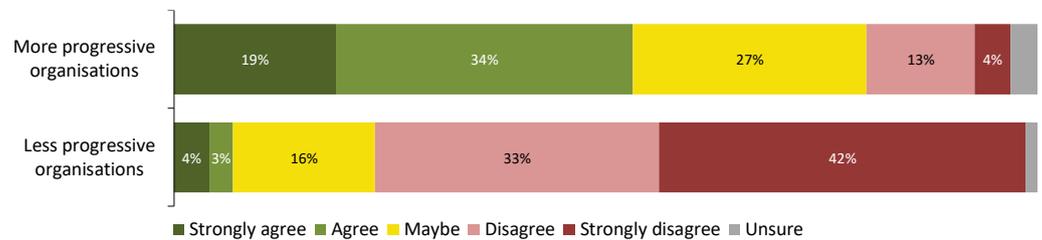
New people entering the business will often be forced to fall into line with “the way we do things around here”.

The culture of an organisation is frequently a function of its history. Whether it’s good or bad, if it’s strongly ingrained, new people entering the business will often be forced to fall into line with “the way we do things around here”. In smaller businesses or start-ups, the personalities, backgrounds and values of key executives, e.g. the original founders, can be the biggest influencing factor.

Whatever the origin, the culture of a company can be assessed based on the kind of indicators of leadership style and attitude to investment we saw previously in Figure 3, along with the response traits listed in Figure 2. And when we group the participants in our study according to the aggregate of their survey scores across all of these areas, we see some interesting differences leap out.

‘More progressive organisations’, i.e. those with an above average personality/culture score (around half the respondents), are over seven times more likely to say that senior managers provide IT with all of the support and air cover it needs (Figure 8).

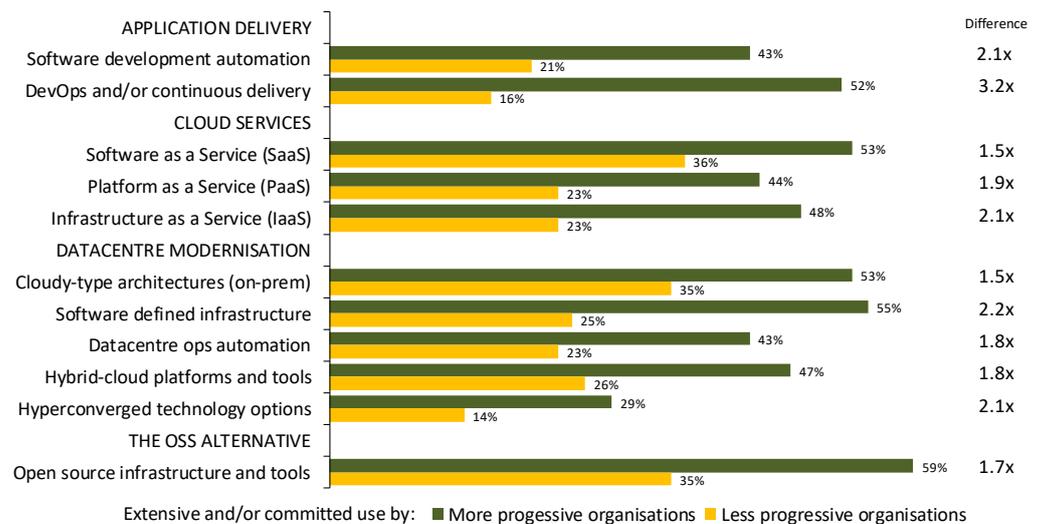
Figure 8
AGREE/DISAGREE:
Senior business management provide IT with all the support and air cover it needs



In practical terms, if your IT team operates within a progressive business culture, this tells us that you’ll find lots of things easier. This includes everything from openly and productively communicating with business stakeholders, to securing funding for the kind of investments that both make your life better and allow you to deliver greater value to the business.

One of the consequences is more freedom and flexibility to explore new ways of doing things and quickly exploit the latest technologies and delivery methods (Figure 9).

Figure 9
How would you sum up your use of the following?



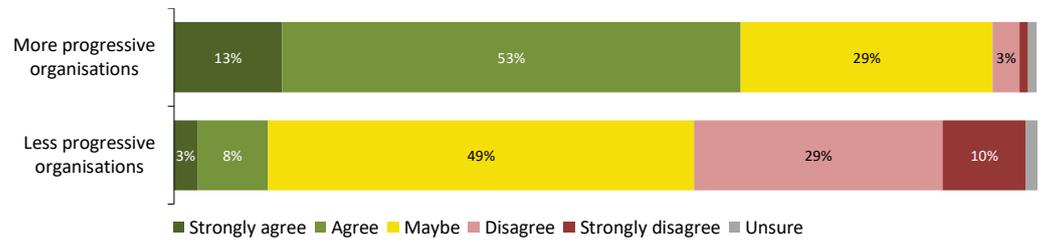
This all looks very positive, but how much does it really matter? Well in today’s fast-moving business environment, a pretty good indicator to look at is IT’s ability to meet

evolving business needs and expectations. Based on this, the tangible impact of business culture is strikingly obvious (Figure 10).

Figure 10

AGREE/DISAGREE:

IT meets evolving business needs and expectations very well



So how do you act on these insights?

Driving or maintaining improvement

Keeping up with a progressive business can be hard.

If you are fortunate enough to be working in a progressive business environment already, the big message is not to take this for granted. If you maintain high delivery standards and adopt a mind-set and approach of continuous learning and improvement, then you will reinforce the positive spiral that often exists. But keeping up with a progressive business can be hard, particularly when everyone from senior executives through marketers and product managers is involved in driving the digital agenda. Whether it's cloud, DevOps, open source, or some of the other things we have touched on, you need to stay up-to-date.

The combination of cloud and open source allows some pretty exciting stuff to be done.

If the business environment you work in is less progressive, it's easy to fall into the trap of thinking nothing will ever change, and life for IT will always be hard. One of the huge advantages against the backdrop of today's business climate and some of the trends and developments taking place in the broader technology industry, however, is that IT teams are in a unique position to both inspire and enable. The first piece of advice here is to get proactive - talk to business people, understand their frustrations, challenges and aspirations, and show them how technology can help them get what they want.

Cultural change is never quick or easy to achieve, but the creative use of technology can be a strong catalyst if used in the right way.

And the beauty is that nowadays you don't need a huge amount of budget and complex procurement cycles to get what you need to do proof of concept exercises and set up pilot projects. The combination of cloud and open source, for example, allows some pretty exciting stuff to be done that can open the eyes of stakeholders, stimulate thought, raise the profile of IT, and potentially make the business more efficient and competitive into the bargain. We frequently hear stories in our research about transformations of IT-business relationships that have been brought about through such an approach. It's about influencing up, not through exercising power or politics, but through communication, education, enlightenment and inspiration.

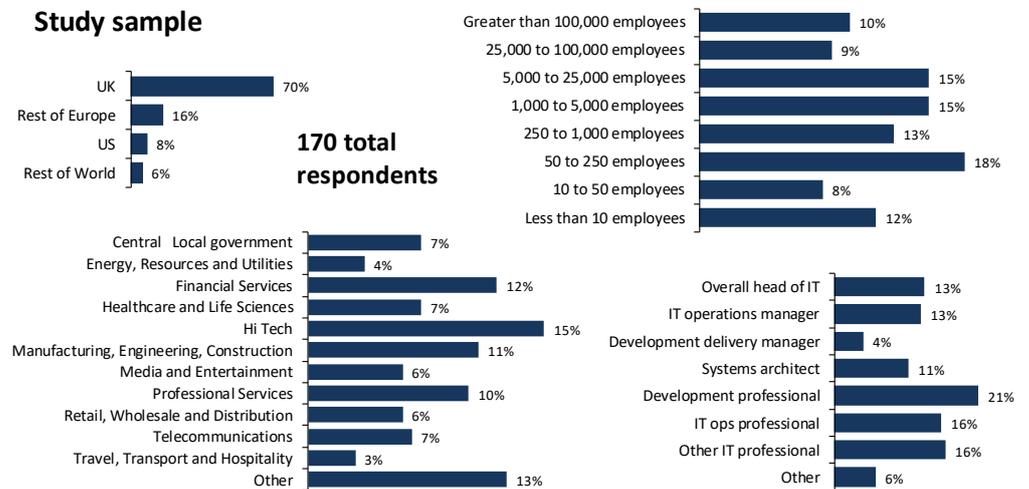
Now more than ever, IT teams have a chance to not just support the business, but to help shape and drive it. Cultural change is never quick or easy to achieve, but the creative use of technology can be a strong catalyst if used in the right way.

About the Research

The research upon which this Inside Track is based was designed and executed by Freeform Dynamics in collaboration with a mainstream IT news site. Data was collected from 170 IT professionals via an online survey completed in November 2016.

Figure 11

Online survey conducted in collaboration with a mainstream news and analysis website



Please note that the online methodology used in this study is subject to self-selection bias, so data may be skewed towards more progressive organisations.

About Freeform Dynamics

Freeform Dynamics is an IT industry analyst firm. Through our research and insights, we aim to help busy IT and business professionals get up to speed on the latest technology developments, and make better-informed investment decisions.

For more information, and access to our library of free research, please visit www.freeformdynamics.com.

About Red Hat

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