

Digitalization causes a merger syndrome between Traddies and Nexties

Overcoming the cultural split in traditional organizations and getting fit for the digitalized future

Due to the trends in the corporate world (e.g. the progressing digitalization including the values of new generations) most organisations undergo a major cultural transformation. Depending on the type of industry, size and organizational history a **cultural split** has emerged between:

Traditional management (Traditionalists, herein called 'Traddies')

Decisions and control are still coming from top-down, although there are different management-styles executed that differ regarding the level of involvement of the staff. Traditional culture emphasizes status and function of a manager. Top-down is prevailing in most industries; however specific departments are increasingly moving towards cooperation and digitalization.

vs.

Cooperative non-management (also lately known as 'collaboration', herein called 'Nexties')

In this culture, self-responsibility is highly developed, power-distance very low and transparency high. Nexties are mostly digitally versed. They are eager to collaborate across departments and countries. They like to work for an overall goal that makes sense to them. Roles are far more important than functions and status. This culture is frequently found in software- and business-development, IT, consulting, services, new marketing and innovation-projects, matrix-organizations in networks; and of course in companies like Google.

The cultural split corresponds to a **post-merger situation**. Traddies (traditional) and Nexties (cooperative) tend not to understand each other, which can cause fears and mutual perceptions such as:

Traddies might fear that they will not be able to cope with the accelerated cultural and digital transformation and they might not see themselves valued for their broad experience and their approach to work. (I'm deliberately not talking of the 'generations', because there are younger and elder people who like better either the traditional or the cooperation way of management).

Nexties sometimes feel bored by the perceived lack of speed and dynamics experienced in working with Traddies. They also might feel uncomfortable with too much redundancy in communication and the lack of digital knowledge. Hierarchical structures and status symbols are perceived as being unnecessary or even ridiculous.

Companies being aware of their specific merger-constellation have a big opportunity to overcome the lack of understanding between the traditional and the new world. Existing fears, negative perceptions and dissociated work have to be overcome. Boundless communication, cooperation and working for the company and not for the

superior or the department is crucial in times of competitive digitalization. How can this be done?

The starting point is a '**cultural fitness-check**', where the level and quality of the interface-cooperation is neutrally assessed by interviews and observations. On this basis the most effective way to proceed is to coach/train the key-people concerned and the teams/groups working at (and across) the interfaces. The best level to start with is the executive team, where every member is a superordinate interface-manager.

What abilities do leaders, project-managers and others need in the "split organisation", especially at the interface of the two cultures?

Three key-capabilities have proven as being essential:

1. Cultural flexibility: being able to deal with diverse cultures without imposing one's own approach; understanding the given cultural premises like high/low power distance or high/low level of self-responsibility.

2. Intercultural moderation skills: moderating and mediating neutrally between the cultures and (possibly) generations, intercultural respect, support the consensus-finding process or other ways of decision-making.

3. Master level in dialogue skills: ability to communicate according to the given culture (e.g. Traddies or Nexties), coach Traddies for a better understanding of the Nexties and vice versa. Improve shared-responsibility and strive for veracity and the overall goals instead of an 'ego-culture'. (See my article in linked-in or on www.peercommunication.ch/publikationen/ "Wie gestaltet man eine zukunftsorientierte Unternehmenskultur in Zeiten der Digitalisierung?").

When the interface-groups and -teams have learned to apply advanced dialogue-skills and cooperate fully and boundlessly, the level of synergy and innovation will raise dramatically. The newly gained expertise and dialogue-culture will allow to co-create congenial visions, business-models and products and to benefit from the new opportunities given by the digitalization.

Such a company culture will furthermore attract talents that like to work in a dynamic, respectful and open environment, even in a 'traditional' company.

Constantin Peer, Küssnacht, 9/3/2017