

F.Y.I.

Identifying and mapping workplace culture...

APARNA UBEROY, CHARTERED OCCUPATIONAL PSYCHOLOGIST AND CONSULTANT, EXPLAINS WHY CULTURE IS IMPORTANT AND HOW TO GET A HANDLE ON IT IN YOUR ORGANISATION.

Business success is achieved through people. While historical data from company accounts and share prices may be used to indicate the relative success of an organisation, such measures fail to take account of the principle driving force behind this success: the company's human resource. Just as a company's financial status is monitored over time as an indicator of potential future success, the workforce's reactions to, and perceptions of, their employing organisation are also critical to the company's future growth and development.

Research has repeatedly shown that staff perceptions of their employing organisation (in terms of the working environment which they inhabit and of the underlying values and beliefs which characterise the company – the company's culture) can make a real difference to their attitudes towards their employer. Across companies and industries, these attitudes have been found to manifest themselves in employee behaviour and, ultimately, performance at work. The relative impact of culture in predicting organisational performance is hard to overstate. Indeed, as one CEO recently noted, in many cases 'culture eats strategy for lunch'! Some examples of this principle in action appear below.

Kotter and Heskett (1992) examined the financial performance of 207 companies over a ten-year period. They found that culturally strong companies saw six times higher gains in operating earnings, four times higher ROI and an average increase in stock price of four times. The researchers' primary conclusion was that corporate cultures can have a significant impact on an organisation's business performance.

Similarly, Marcoulides and Heck (1993) examined the cultures of over 30 companies. They found that cultural factors (such as communication flow, loyalty and commitment of staff, people-focused management and employee involvement) could predict over 50 percent of variance in volume, market share, profit and return. Put simply, those companies with more positive cultures produced better bottom-line performance.

So, if culture is this important, how can we measure it? Approaches to choose from are varied and might combine some or all of the following:

- 1. Questionnaire** – off-the-shelf culture profiling instruments include, for example, the Performance Culture Audit (Blue Edge Consulting), the Organisational Culture Inventory (Human Synergistics) and the Organisational Culture Survey (Denison Consulting). However, an increasing number of organisations are now adopting a bespoke approach to assessing culture because they feel that their own strategy and aspirations are not sufficiently well captured by off-the-shelf measures. This approach can be surprisingly cost-effective and may not add significantly to the time required for a cultural mapping exercise.
- 2. In-depth interviews** – the purpose here is to ask key (usually senior) stakeholders to describe their culture by describing events, processes, policies, procedures and key people. This technique can also be used to

gather data on perceived strengths, weaknesses, opportunities and threats within an organisation, the analysis of which can be very revealing, particularly about aspects of the culture that were hitherto hidden or 'undisclosed'.

- 3. Focus groups** – focus groups can be enormously useful for (a) generating ideas for improvement, (b) capturing the essence of an organisation's culture, and (c) clarifying local and organisational issues. The sessions need to be well structured and carefully managed to ensure that all members are included in the discussion and that any lack of consensus between participants is identified and discussed.

It is important to note that cultural assessment is not straightforward and it is worth gaining some expert advice on it, so that you arrive at a robust approach which will provide meaningful, relevant information that can be used to build the business. There are also a number of pitfalls to avoid; the main ones appear below.

An unpiloted or flimsy metric (in terms of its measurement properties), or inappropriate assessment method can be a recipe for disaster if it is unable to provide a sufficiently comprehensive and useful assessment of the company's culture.

Another pitfall comes in limiting the scope of the project to include only activities up to and including the presentation of survey findings, but no more. This gives a false impression that the project will end when the management team have the findings in their hands, when it is in fact far more likely that this presentation will represent the first step on a long road to improving the organisation's culture. This expectation should be set as early as possible with the sponsoring group in the organisation.

Finally, any mapping of culture will require that progress over time is assessed. This makes it desirable for the same method and metrics to be used each time culture is assessed to allow for benchmarking. So the lesson is to get the methodology right the first time, to avoid gathering data which can't be compared time on time.



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