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MAGAZINE

3 REASONS MEASURING CULTURE IS GOOD FOR BUSINESS



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CAN COME FROM
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3 REASONS *why* MEASURING CULTURE IS GOOD FOR BUSINESS

Company culture is back on the agenda for leaders of small and large businesses alike. Seemingly out of favour for more than a decade, culture took a back seat as performance management and learning management systems were deployed, Lean and Agile methodologies took hold and engagement surveys ruled. But not anymore!



The high profile business failings of recent years, adverse findings by the royal commission into the financial services industry in Australia, and a failure to move the dial on engagement, despite billions spent on benefits to enhance the employee experience in workplaces across the globe, are just some of the reasons why organisational culture is in the spotlight.

With evidence supporting its far-reaching impacts on employee engagement, customer satisfaction, and profitability, culture is now top of the priority list for enlightened CEOs and business owners who understand that a healthy, thriving culture is no longer just a "nice-to-have".

But there is a big difference between knowing that a healthy culture is important and knowing how to achieve it.

Recent research by Deloitte of more than 7,000 business leaders across the globe found that although most leaders (87 percent) think culture is important, only 28 percent believe they understand their culture well and just 19 percent believe they have the right culture.

Here are three reasons why every organisation should conduct regular culture assessments to measure and help manage their culture.

1. WHAT GETS MEASURED GETS IMPROVED

In a new take on the adage "what gets measured gets done", American entrepreneur and founder of GoDaddy Group, Bob Parsons, stresses the importance of measuring everything of significance.

In his 16 Rules for Success he points out that:

anything that is measured and watched improves, and anything that is not managed deteriorates.

Traditionally, culture was hard to measure and manage. Now survey instruments like the Cultural Transformation Tools from Barrett Values Centre provide an objective, quantitative measure of an organisation's cultural health. This cultural health score, which is based on the proportion of positive versus potentially limiting values and behaviours in the current culture, can be used to measure, monitor and help manage culture over time.

It is possible to measure the current culture of an organisation, and the various demographics or subcultures within, such as departments, locations or level. It can also be useful to compare results within industry sectors across the globe to understand how an organisation is tracking on a macro level.

Culture is now a key performance

indicator for many CEOs and executives, sparking a keen and sometimes "back pocket interest" in prioritising and influencing culture for the better. When it comes to the causal link between measurement and improvement, culture is no exception.

2. FOCUS ON THE RIGHT THINGS

Beyond engagement surveys, leaders need to dig beneath the surface to really understand what underpins their culture. Knowing their "secret sauce" and what to reinforce is just as important for sustaining high levels of performance as knowing what to improve.

The former CEO of an award-winning organisation with 35 staff explained that they had 100% staff engagement and a "gorgeous" culture. As a founder of the organisation she was often asked what their secret was and what were their core values. At the time their culture was something that she took for granted and couldn't really articulate.

It wasn't until she became CEO of a much larger organisation where she could not get the information needed to make decisions that she realised there were underlying cultural issues at play that she needed to understand and address. A values-based culture survey was commissioned to understand "the good, the bad and the ugly" of the

current culture so they could build on the strengths, address the issues and start moving toward the culture they desired. It turned out that unwieldy processes were the source of much angst.

Without a sound cultural measure, much time and money would likely have been wasted on HR initiatives aimed at the wrong thing.

Rosemary Fisher, one of the consultants engaged to assist in the culture survey process commented that "Culture isn't something you necessarily think about when everything is running smoothly. But when things aren't right you need to look under the surface. You need the right tools and the evidence to understand the fundamentals of your organisation's culture. Too many people look at engagement and then try to influence culture. But to really effect change, you need to understand your culture's current strengths and weaknesses."

3. INCREASE THE ODDS OF A SUCCESSFUL STRATEGY IMPLEMENTATION

Culture has an impact on everything inside an organisation. And like a living organism, it has the power to adapt and evolve on its own.

Therefore, leaders have two choices. They can positively and intentionally influence their organisational

culture or leave it to chance and risk it evolving in ways that negatively impact performance.

Understanding the culture that exists, dealing with the challenges and proactively determining and shaping the culture needed for the future are the first steps towards creating a cultural advantage that fuels the organisation's strategy. Without the cultural data as guidance, leaders are flying blind.

Christopher Gomez, CEO of Barrett Values Centre commented, "In today's volatile business landscape, leaders need to revise their strategies more frequently. How do you know if you have the right culture to not just enable but ignite your new strategy? Measuring your culture allows you to truly understand your strengths, opportunities, and blind spots.

Without data to show the culture you have and the one that will best serve you going forward, you are betting the success of your strategy on luck."

There is now significant evidence supporting the relationship between organisational culture and numerous business outcomes including employee engagement, customer satisfaction, sales performance and ultimately business results. Measuring and managing organisational culture is simply good for business.

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