



**CULTURE SURVEYS & PEOPLE STRATEGY
FOR ORGANISATIONAL SUSTAINABILITY**

DR GRANT SIEFF

grant@icgrowth.co.za

Infochoice Growth (Pty) Ltd

Research, Education & Consulting

September 2010

The people strategy of any organisation, in a world of innovation, volatility and change, must be a central strategic focus. Unquestionably the most important and often vexing challenge for leaders is to drive strategy and change through the culture of the organisation. Culture is typically resistant to change. Any mechanism that assists line management to identify how to best align the organisation culture with the preferred strategy is an essential tool for the strategic leader's toolbox.

It is important to distinguish between organisation climate and culture. Strategic change through people requires a focus that goes beyond bringing about a change in the climate, the mood of people in the organisation. While it is clearly necessary to tune in to and manage the feelings of staff (happy, sad, angry, or afraid) at any point in time, the organisation climate is a shorter term variable: easier to change, but unlikely to deliver lasting change. Culture, that defines the underlying values and behaviours of staff, the way that things get done, is often harder to define and harder to change, but is central to the role that the people strategy has in bringing about lasting organisational change.

Strategic purpose

There are different reasons for engaging in a culture survey. In each instance, the culture survey intervention can shape the impact of delivery of organisational strategy. What is needed is to understand the strategic purpose of the culture survey, in order to ensure that it measures the relevant attributes of culture. The culture survey must be constructed so that the survey results allow for an assessment of positioning and alignment between leadership and culture, and between culture, organisational strategy and customer needs.

Organisational contexts where a culture survey intervention may add strategic value include: needing to optimise strategic alignment, mergers and acquisitions, new strategic initiatives, a restructuring in the industry,

addressing customer expectations, changes in the business cycle, new leadership or the start of a new venture.

The reasons for engaging in a culture survey may be to:

- Amplify the key messages within the organisation concerning values, strategic intent, vision and mission.
- Align the culture with the strategic direction of the organisation.
- Grow a culture best suited to manage the outcome of a merger or acquisition.
- More strongly link the leadership direction to the organisational culture.
- Manage people to more effectively deliver results through improved accountability and recognition of preferred behaviours.

Specific objectives

When setting up the culture survey parameters, it is important to set specific objectives that support your strategic purpose. For example, these could be to assess:

- Organisational proficiency in key areas within the desired culture, such as collaboration, or client centricity.
- Progress towards the organisation's goals of diversity and transformation.
- Organisational capability in seamless delivery.
- Organisational agility in the face of changing industry dynamics.
- Factors encouraging recruitment and retention of skilled staff.

Culture survey variables

Culture surveys are typically designed to assess the perceptions of staff and other stakeholder groups. To establish a benchmark measure of the current performance on each area of focus that relates to the specific objectives, it is useful to apply an objective scale to questions concerning these focus areas. This allows the results to be more easily comparable across different staff or stakeholder groups, and between repeated surveys over time. For example,

a six-point Likert scale, ranging from very weak, weak, slightly weak, slightly strong, strong, very strong, can be applied to the answer options for such questions.

Dimensions of culture

The next step is to consider how to best assess staff perceptions of the current culture and what the preferred culture should be to achieve the organisation's specific objectives.

Two commonly applied dimensions for assessing culture and organisation behaviour, concern:

- 1) The extent to which the organisation has an internal versus an external orientation, and
- 2) The tendency towards stability versus flexibility in organisation structure.

The internal-external dimension maps the degree to which the organisation focuses inwards, within the organisation, or outwards, towards customers, suppliers and the external environment.

The stability-flexibility dimension maps how decisions are made. A preference towards stability indicates that the control rests with management, a more top-down approach to decision-making. A preference towards flexibility indicates that control is devolved to employees who have more flexibility and discretion to decide for themselves. Flexibility is more important when forces in the operating environment create a need for change.

When the two dimensions of internal-external and stability-flexibility are considered together, then four types of culture focus emerge, as follows:

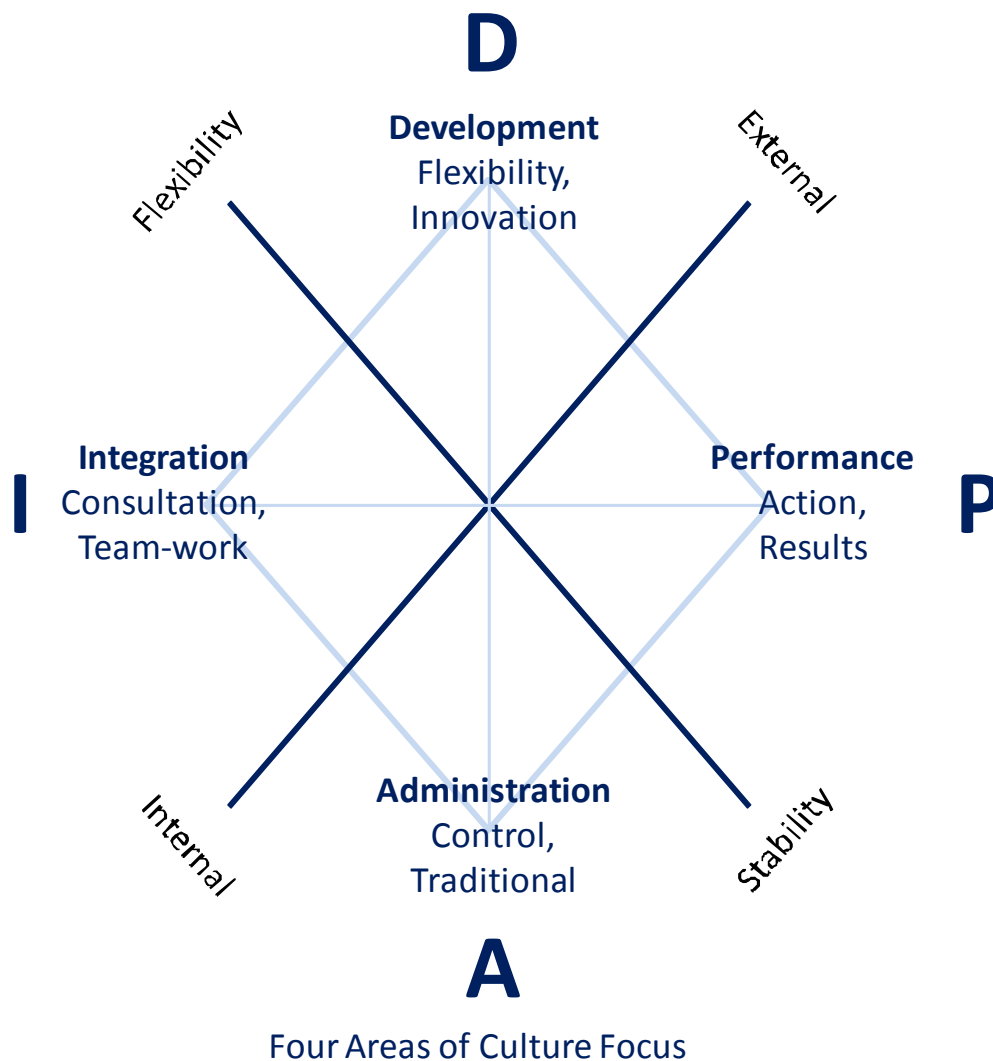


Diagram 1

Assessing the current and preferred cultures

In this step of the culture survey, a selection of questions describing a variety of situations relevant to organisational culture need to be framed. These questions need to be used to assess staff perceptions of which of the four areas of culture focus (or types of culture) described in Diagram 1 tend to prevail in the current culture. The questions need to be asked a second time to assess staff perceptions of which of the four culture types should prevail in a preferred culture that would best address the specific organisation objectives identified in the first step.

When the responses to these questions are analysed, a picture begins to emerge of staff perceptions of the current culture versus their perceptions of the preferred culture in terms of the four types of culture focus, as in the example provided in Diagram 2.

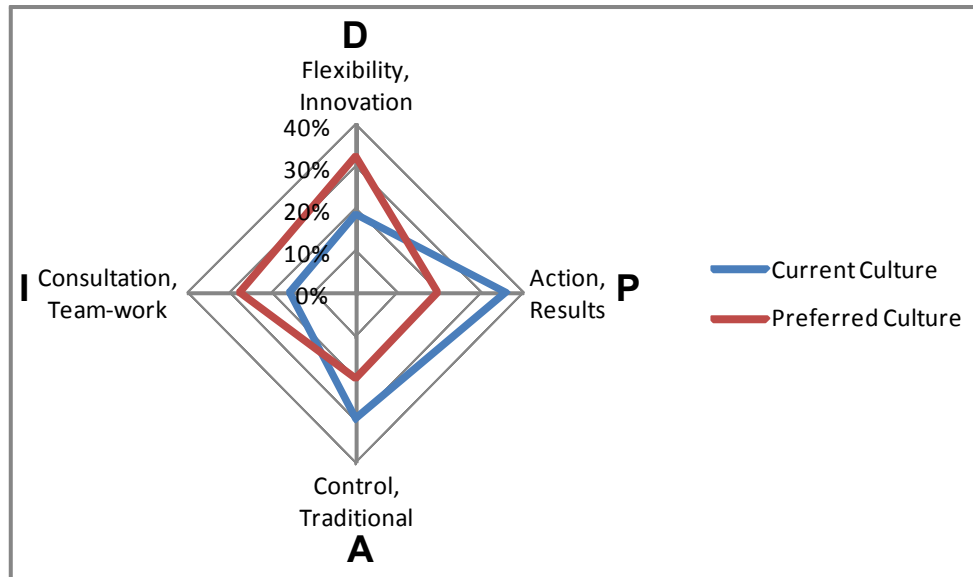


Diagram 2

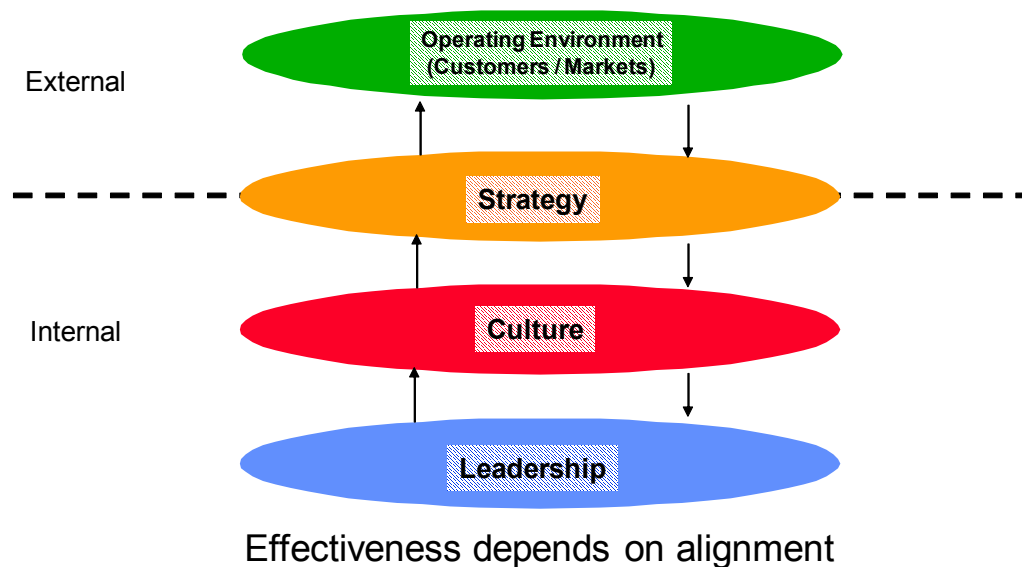
Strategic alignment framework

Assessing culture without considering its relationship to organisational strategy, and without considering the influence of leadership upon the culture, is likely to limit the positive impact of the culture survey intervention on the people strategy and on the organisation's overall strategic direction and alignment.

The survey responses may offer some insights about how to optimise overall strategic alignment across the four key elements within the organisational environment, namely:

- 1) market forces (including customer needs)
- 2) strategy
- 3) culture, &
- 4) leadership

The relationship between these four elements can be depicted as illustrated in Diagram 3.



Source: Chorn, N & Hunter T, *Strategic Alignment*, Richmond Press, 2004

Diagram 3

For example, if market forces, including customer needs, are demanding more focus on Development (flexibility, innovation) and Integration (consultation, team-work) from the organisation, then the strategy may also need to have a greater emphasis on Development and Integration in order to be more aligned with market expectations. Similarly, the culture focus and the leadership style would also need to place a greater emphasis on Development and Integration, to align with the strategy to serve the dominant market needs.

The same dimensions being used to assess preferred or dominant culture types can also be used to assess customer needs, strategy and leadership style. From a strategic perspective then, organisational effectiveness is enhanced when the focus areas across all four elements illustrated in Diagram 3 are optimally aligned.

It must be noted that there may be valid reasons for leadership, culture or strategy being out of alignment with customer needs. It may be that the organisation is in transition, and there is a lead or lag effect where the organisation is catching up with the market, or where the organisation is leading the market.

Different parts of the organisation may of necessity require a dominant focus in culture and leadership which is not aligned with customer needs. For example, the Accounting department may need to have a dominant culture focus on Administration (control, traditional), and the Marketing department may need to have a dominant culture focus on Development (flexibility, innovation).

It must also be noted that in many circumstances all four focus areas are required or expected. To optimise alignment and effectiveness, the question that must be explored, at each point of value delivery, is which one or two focus areas are required most in order to maximise the value derived.

The influence of leadership

It is ultimately the responsibility of line management leadership to change staff behaviour in a way that optimally positions the organisation culture to deliver on strategy. Measuring staff perceptions of the current leadership style, versus the leadership style that would be preferred to achieve defined objectives, provides another important lever to assist line management to best implement the desired people strategy, and to optimise overall organisational alignment in a sustainable way over time.

It is therefore recommended that any culture survey should include a set of questions about the prevailing leadership style. When the responses to these questions are analysed, a second perspective of staff perceptions begins to emerge. The first perspective is that of the current versus preferred culture, illustrated in Diagram 2. This second perspective depicts the perceptions of the current versus the preferred leadership style, an example of which is provided in Diagram 4.

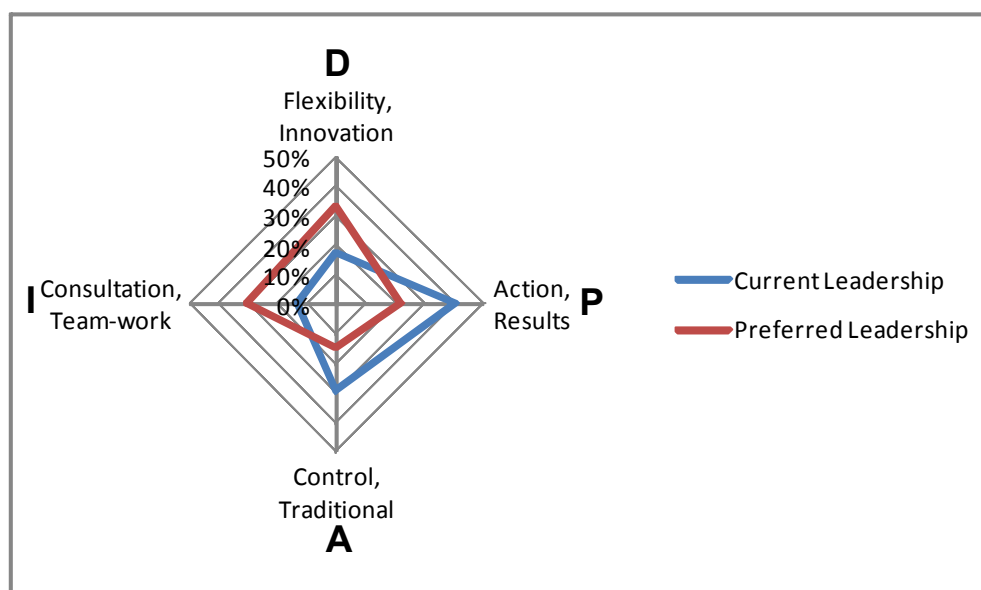


Diagram 4

Interpreting culture survey findings

Culture surveys, if they are to be effective and influential, are tools for strategic conversations. It requires a skilled facilitator to assist line leadership to engage in relevant communication and workshops to translate the messages of the culture survey into practical actions that deliver on the organisation's strategic purpose.

Interpretation example (interpreting diagrams 2 and 4)

Diagrams 2 and 4 indicate, overall, that the respondents believe that the current culture focus and leadership style within the organisation have a greater emphasis on Performance (action, results) and on Administration (control, traditional). They also indicate that a preferred culture focus and leadership style would be to place a greater emphasis on Development (flexibility, innovation) and Integration (consultation, team-work).

The responses indicate a preference for a shift towards greater flexibility and innovation, and greater team-work and consultation.

It would be important to examine each of the assessment points for culture and for leadership, to understand what the respondents believe should

specifically change in order to achieve a preferred culture focus and leadership style. It would also be important to interpret the responses as a leadership team in terms of their knowledge of the current business environment and the strategies currently in play to address market needs and expectations.

Another useful tool for understanding these culture survey results is the life-cycle curve, illustrated in Diagram 5. A typical product or business life-cycle can be shaped like the letter 'S', in italics. It represents how the potential of a product or business may change over time. There are typically four phases in the life-cycle. These four phases correspond to the four culture focus areas: Phase 1: Development; Phase 2: Performance; Phase 3: Administration; Phase 4: Integration.

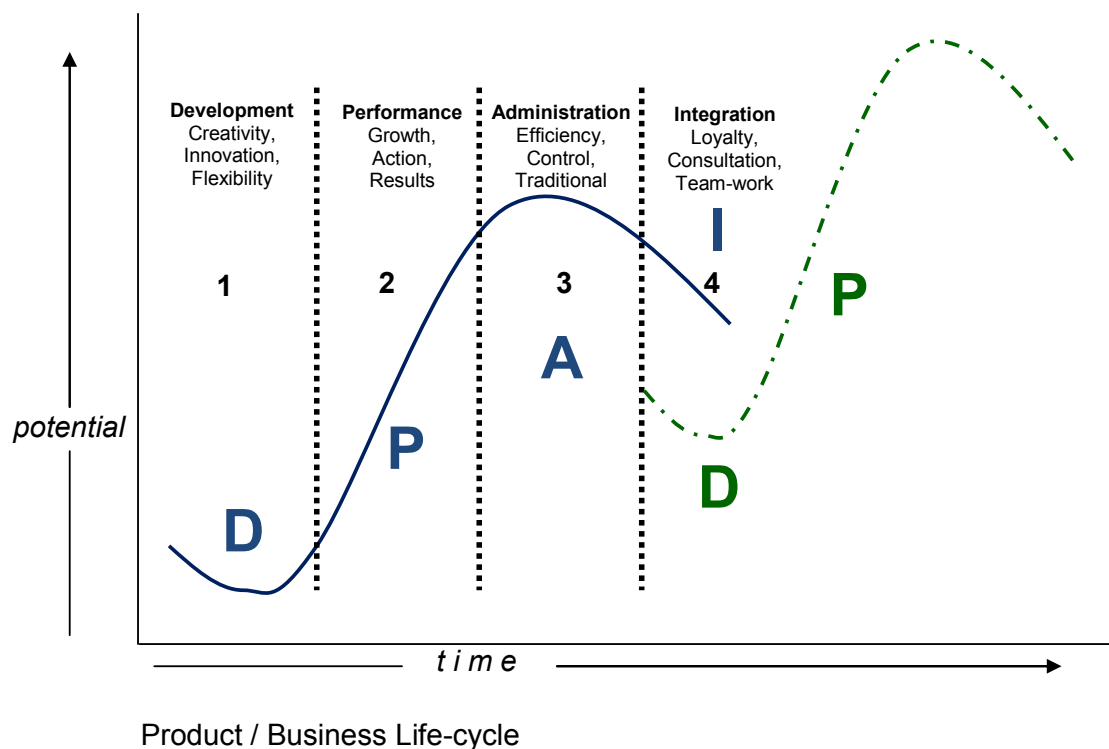


Diagram 5

If the organisation, or its products or services are in the mature phase (Phase 3: Administration), and customers are price-sensitive, and perhaps even starting to defect to other offerings (because the business is entering Phase

4), then there will be a greater need to shift the focus from Administration towards Integration (to build on customer relationships and loyalty), and to initiate new, innovative offerings into the market, both for existing and new customers, engaging in Phase 1: Development of a new life-cycle.

In such situations, organisation leadership must be careful to manage the split focus between attention to the existing mature business, needing cost-efficiency and control (Administration) and attention to new business opportunities (Development). There are also opportunities to be realised in times of transition, through loyalty and retention of existing customers (Integration).

The results depicted in Diagrams 2 and 4 suggest that the current organisation culture and leadership manages the business with a dominant focus on Performance and Administration, but that staff believe that the preferred culture and leadership style should have a greater emphasis on Development and Integration.

In life-cycle terms, market forces may be signalling a transition from an existing life-cycle to a new life-cycle, with a greater expectation of relationships, innovation and renewal than before. It may be that this signal is being picked up by the respondents of the culture survey, and expressed in the results with a consistently greater emphasis on Development and Integration for the preferred culture and leadership style.

Diagram 6 illustrates how this message may be translated from the survey results.

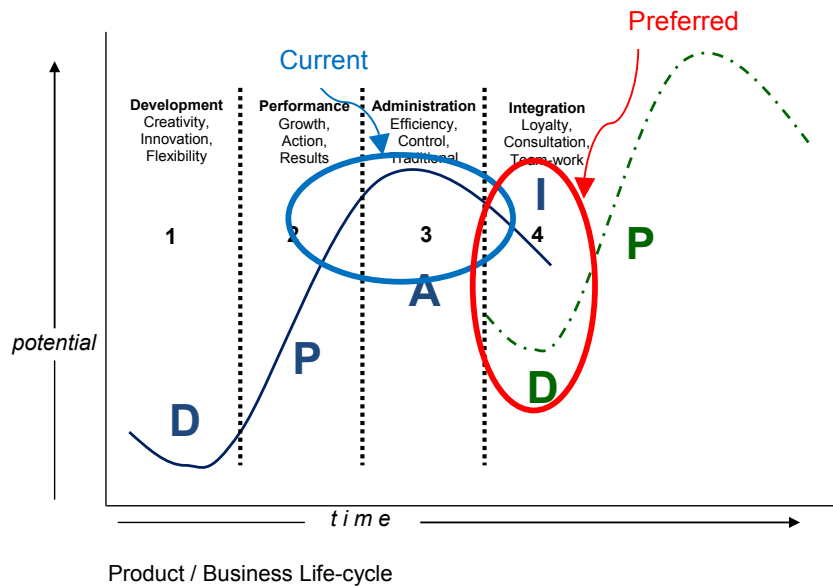


Diagram 6

Conclusion

Culture surveys, designed to enhance the impact of the people strategy in particular, and organisational strategy in general, can be powerful levers for managing change and building organisational maturity and resilience. At its best, the culture survey creates an opportunity to engage with staff at all levels, to take advantage of the residual intelligence and perceptions of all those invested in the organisation’s ongoing success. When considered as a tool to assist in optimising overall strategic alignment, the culture survey opens the way for richer strategic conversations within the organisation, and builds staff commitment. It is an important vehicle for human resources professionals who need to be strategic partners in building organisational sustainability.

About the author

Dr Grant Sieff is CEO of the IC Growth Group, a research, strategy and leadership development consultancy. He teaches at leading business schools as a visiting professor and senior lecturer. Grant has worked as a vice-president for Citibank in Australia and a partner for Accenture. He consults to leaders at the top levels of organisations across African continent and abroad.

IC Growth Group (icgrowth.co.za) has initiated an Africa-based research, market insight and strategy development online portal, dedicated to development and growth in Africa (africamarketinsight.co.za). Grant can be contacted at grant@icgrowth.co.za or on +2721 462 7902.