

# QUANTUM MANAGEMENT INDICATORS: CLIENT BRIEFING



## Unraveling the truths of Organisational Culture

### **Facts about measuring Organisational Culture that you need to consider**

Before embarking upon an investigation of your organisation's culture, there are some facts regarding cultural measurement that you need to familiarise yourself with.

Arming yourself with this information will ensure that you do not waste time and resources measuring culture at a level that is irrelevant to your needs.

Furthermore, it will draw your attention to the limitations that are inherent in any attempt to measure organisational culture.

As such, you will be better equipped to discriminate between those consultants who acknowledge these limitations and can be considered authentic, as opposed to those who promote the ultimate cultural fix.

### **The level of culture that needs to be measured within your organisation is entirely dependent on the end result you are trying to achieve...**

Before you embark upon an investigation of your organisation's culture, the most important question to ask yourself is "How do we intend to use the results of the cultural survey?" The answer to this question will heavily influence the culture instrument that is suitable for your needs.

There are many diverse reasons why an organisation may choose to measure their culture. Before you embark on a cultural investigation, it would be beneficial to consider the cultural measurement techniques outlined in this document and select an approach that is suitable for your needs.

“Culture hides more than it reveals... Strangely enough what it hides, it hides most effectively from its own participants.”

Edward T. Hall, Author of Beyond Culture and The Hidden Dimension

**There are different levels of Organisational Culture. Each requires a unique measurement technique...**

To understand what is actually being measured by a quantitative culture instrument, it is necessary to understand the difference between the conscious, observable elements of culture and the unconscious hidden elements of culture.

By definition, organisational culture refers to the unconscious beliefs and assumptions that work groups form over time in regard to the behaviour and thinking that is considered appropriate when working towards desired objectives.

It is these unconscious assumptions which are the major determinants of organisational culture at the conscious, observable level.

Quantitative survey instruments only measure culture at the conscious, observable level. They achieve this aim by examining employee perceptions of behaviour within their working environment (the so-called climate of an organisation) as well as the conscious beliefs that inform these views (espoused values).

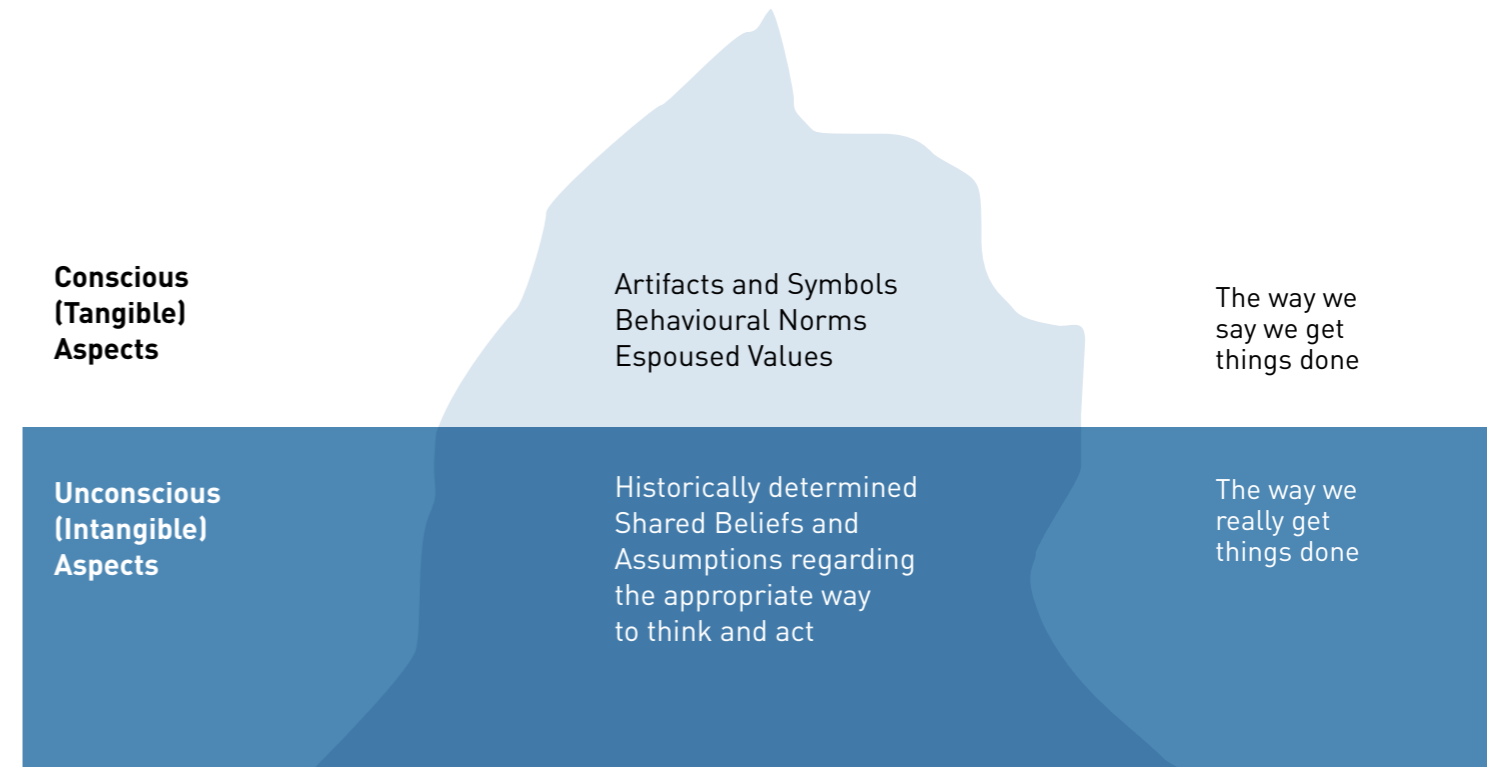
This measurement approach assumes that employee perceptions of behaviour will provide an accurate reflection of the unconscious assumptions that are actually guiding behaviour within the organisation.

While this may seem like a reasonable assumption based on the contention that culture at the observable level should be an expression of the unconscious assumptions which underlie it, this is not necessarily the case.

While employee perceptions of behaviour and espoused values may reflect deeper cultural assumptions, they may also reflect superficial rationalisations. In other words, the way employees say things are done within their team, may not be the way things are actually done.

Instead, they may be more reflective of the way employees are told things should be done!

CULTURAL ICEBERG



That organisational culture is a predominantly unconscious phenomenon has led to its comparison with an iceberg (i.e. like an iceberg, nine tenths of culture is below the surface).

In order to measure these unconscious assumptions that actually guide employee behaviour it is necessary to apply qualitative measurement techniques. These may include interviews, observational analysis or analysis of employee’s open ended comments.

Qualitative measurement techniques are an essential part of uncovering the underlying beliefs and assumptions within an organisation because they are much better suited to exploring people’s private beliefs and opinions.

Qualitative data can also be used to explore the meaning of quantitative findings and highlight discrepancies. This is important, as it is only through corroborating evidence obtained from a variety of measurement techniques (both quantitative and qualitative) that something close to a true representation of the underlying assumptions guiding employee behaviour can be arrived at.

**There is no one “right way” to measure Organisational Culture. Each approach to measuring Organisational Culture has its limitations...**

All methods of measuring Organisational Culture (be they quantitative or qualitative) are to some degree limited in terms of their scope, ease of use or scientific properties.

Quantitative measurement techniques are unable to tap into the all-important unconscious assumptions that guide employee behaviour at the conscious, observable level.

As such, they only scratch the surface of an organisation’s culture. This task can be better achieved by qualitative measures and a triangulated research approach. However these methods are more time consuming and hence expensive.

The best approach to measuring Organisational Culture is to choose a research method (Culture Instrument) that is relevant to your specific needs.

“Leaders should be conscious of culture, otherwise it will manage them”.

Edgar Schein, Respected Culture Theorist (MIT Sloan)

**Conscious (Observable) Elements**

**Artifacts and Symbols**  
Corporate logos, uniforms and clothing, office layout, use of “In vogue” technology, business processes and procedures.

**Behavioural Norms**  
Relative importance of social issues and norms such as time keeping and adherence to prescribed procedures.

**Espoused Values**  
The way we say we do things. Includes formal statements of organisational philosophy (Vision, Mission, Values).

**Unconscious (Hidden) Elements**

**Shared Beliefs and Assumptions**  
The unspoken assumptions regarding how to think and act appropriately that have developed over time as the work group has adapted to solve problems and operate effectively.

## Approaches to measuring Organisational Culture....

### Cultural Audit – What we want to be like

#### Application

Applied when Senior Management have already articulated their desired culture.

#### Identifies Cultural Gaps

Measures the extent to which your organisation and individual work areas are aligned to the desired culture.

#### Customised

Customised to represent the desired Corporate Values of your organisation.

#### Conscious Level Only

Measures Culture at the conscious level only, that is Values and Behaviours.

#### Measures Alignment Only

Does not measure the actual organisational culture, just the extent to which behaviours throughout your organisation are aligned with the desired culture.

### Cultural Exploration – What we are really like

#### Application

Provides sufficient detail to develop a new culture, execute a complete shift in organisational culture or guide a cultural intervention.

#### Explores Conscious and Unconscious Levels

Analyses culture at the conscious level of values and behaviours. Attempts to uncover the unconscious assumptions which influence these values and behaviours via expert qualitative analysis.

#### Triangulation

It is only through corroborating evidence obtained from a number of measurement techniques (both quantitative and qualitative) and by analysing similarities and inconsistencies between each method, that something close to a true representation of the underlying assumptions guiding employee behaviour can be arrived at.

### Cultural Diagnostic – What we are like right now

#### Application

Information provided is beneficial in terms of describing your culture to the relevant stakeholders and to understanding the differences between work area subcultures.

#### Identifies Culture and Subcultures

Raises awareness of the type of culture and subcultures that exist within your organisation.

#### Generic Design

Not customised, theoretically based and used extensively in various vocational setting to establish reliability and validity.

#### Conscious Level Only

Measures Culture at the conscious level only, that is Values and Behaviours.

“Culture is not just one aspect of the game, it is the game”.

Louis Gerstner, former CEO of IBM

“An organisation is nothing more than the collective capacity of its people to create value”.

Louis Gerstner, former CEO of IBM

For more information about how Quantum can assist your organisation to better manage cultural measurement, please contact Dr Des Tubridy:

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# A CASE STUDY: THE INTEGRATION OF AUSTRALIAN CENTRAL AND SAVINGS & LOANS

**In December 2009, Savings & Loans Credit Union officially merged with Australian Central Credit Union. Both were significant players in the South Australian financial services market.**

The integrated entity, commissioned Quantum in January 2010 to provide an "as is" assessment of the culture and practices that existed within both credit unions.

According to Darlene Mattiske-Wood, General Manager Organisational Development and Julie Wood, Manager Culture Programs at Australian Central, the purpose behind this cultural diagnostic was to gain an understanding of the similarities and differences that existed between both credit unions in order to identify potential barriers to integration.

The survey asked employees from both credit unions to indicate the extent to which a series of cultural attributes and leadership styles adequately described "the way things were done" in their work area. The resulting analysis revealed that both credit unions shared remarkably similar cultures with day to day behaviour in both credit unions being characterised by the values of Respect, Member Focus and Accountability.

However, advanced statistical analysis of the survey results revealed that there were significant differences between the two credit unions in regard to the behaviours which constituted being Respectful, Member Focused and Accountable. Qualitative analysis of employee comments confirmed this underlying trend.

The survey results have provided valuable information to better understand the cultural dynamics and to identify any potential barriers to integration that might exist as a result of cultural differences between Australian Central and Savings & Loans employees.

This will assist leaders in considering what strategies need to be put in place when establishing new teams made up of staff from both heritage credit unions, and developing new processes and practices.

Regression analysis of the combined data for both credit unions also identified the major five Key Levers for effective integration of the two cultures. As the integration progresses, strategies will be implemented to pull these levers and help develop a new organisational culture that is aligned to the vision for the new credit union.



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