



MEASURE CULTURE

DATA ANALYTICS APPROACH TO GETTING
YOUR CULTURE RIGHT

HAYNE REPORT

FINDINGS

The findings of the Banking Royal Commission, published in the report by the Hayne Commission put workplace culture in the forefront of issues organisations have to get right. The report states that all financial services entities should, as often as reasonably possible, take proper steps to:



Assess and Measure
Culture



Identify Problems in the
Culture



Fix Cultural Issues at the
Root of the Problem



Check if the Changes
Have Been Effective

The report also states that APRA should develop a way of supervising and assessing these entities' focus on culture and governance to mitigate future risk of misconduct.

Moving forward, organisations need to find a reliable and valid way to assess and improve their culture.

We can help you do this.

First, some things you need to be aware of:

1. Address the cause not the symptoms: Measure culture not engagement. The report cites several references by CEOs to the 'culture surveys' they have used in their companies. They referred to engagement surveys and 'voice of the employee' type surveys. These do not measure culture. They measure climate. There is a misconception that if these surveys show positive results, then the culture must be ok. It's not always the case. Enron was a classic example of a company with a great climate (people loved working there) but a terrible culture, which ultimately led to their downfall.

2. Not all information is wisdom: Diagnostics trump surveys. In some cases the surveys referred to by these CEOs were 'in-house' surveys developed by audit or HR groups. Another misconception is that customised in-house surveys are better and that all questions are valid. They are not. They do not offer any benchmarks and as such inevitably lead to inaccurate conclusions with assumptions about what might be considered a 'good' or a 'bad' score. Surveys provide information not all of which add value. Our diagnostics are based on an evidenced based framework. Our diagnostics provide quantitative benchmarked data analytics proven to accurately measure culture.

3. It's not all about money: Remuneration is only one lever for change. The Hayne report focused very much upon remuneration practices as a key indicator of culture. Whilst remuneration systems are drivers of culture they are not the only ones. Structures, systems, goal setting, recruitment, communication systems and leadership are a few others that organisations need to get right to avoid the significant collateral damage of an unchecked culture.

4. Culture by design: Your effort makes a difference. Culture impacts execution, brand, and your ability to move at speed. The good news is that Culture is under your control and can be re-designed, re-energised and re-aligned.

5. Leadership shapes culture: Culture shapes leadership, both drive performance. You cannot work on culture without working on leadership. If your culture is not where you need it to be, your leadership won't be either. Sustained change will need a different leadership example to be set.

WHAT IS CULTURE?

CULTURE IS THE SHARED VALUES, NORMS AND EXPECTATIONS THAT GOVERN THE WAY PEOPLE APPROACH THEIR WORK AND INTERACT WITH EACH OTHER. IT HELPS EMPLOYEES MAKE DECISIONS ABOUT HOW THEY SHOULD BEHAVE TO FIT IN AND SUCCEED.

We make it easy for you to define, measure, shape and manage your culture.

HOW CULTURE WORKS

OUR **HOW CULTURE WORKS** MODEL ILLUSTRATES A CAUSE AND EFFECT MODEL OF CLIMATE, CULTURE AND ENGAGEMENT.

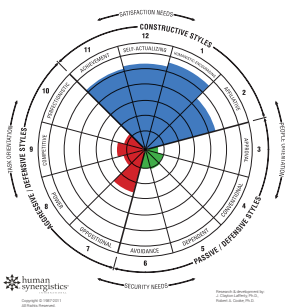
- The ideal culture represents “what should be expected here”
- The causal factors represents “the way things are done around here”
- The actual culture represents “what’s really expected around here”
- The outcomes represent “how we’re doing here”.

IDEAL CULTURE
Values (OCI)

CAUSAL FACTORS
Cause (OEI)

ACTUAL CULTURE
Impact on Norms (OCI)

OUTCOMES
Effect (OEI)



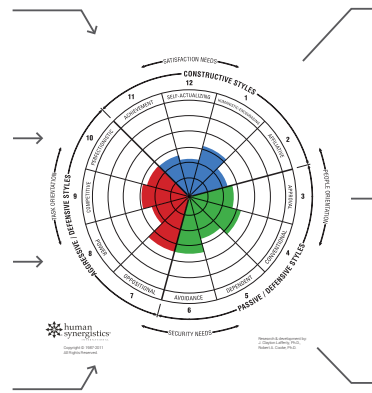
MISSION &
PHILOSOPHY

STRUCTURES

SYSTEMS

TECHNOLOGY

SKILLS/QUALITIES



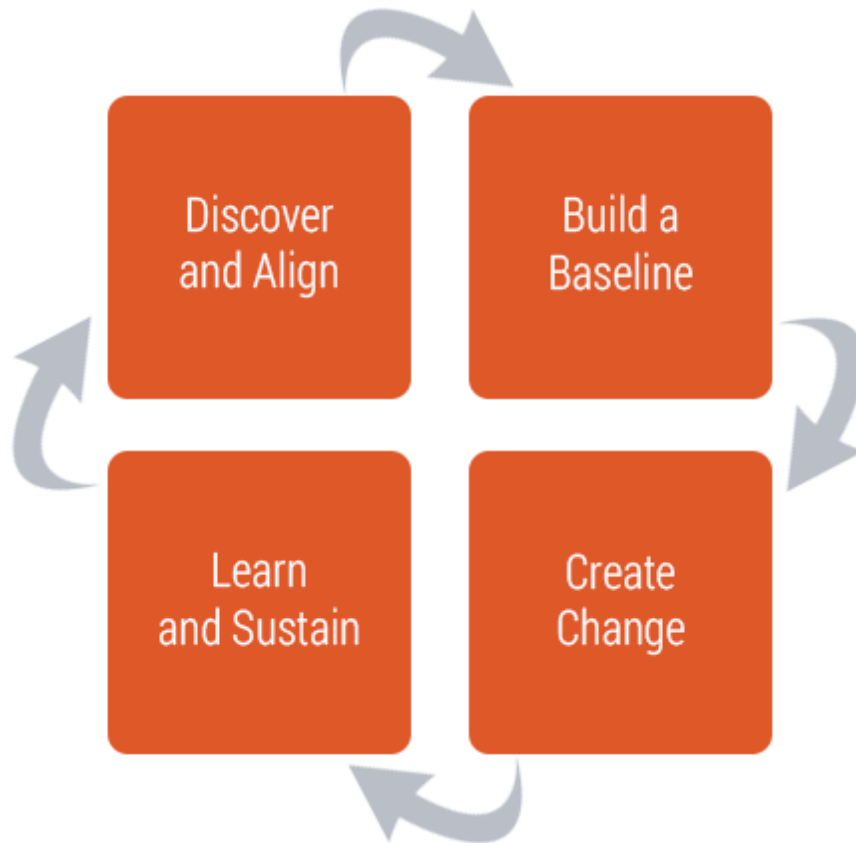
INDIVIDUAL

GROUP

ORGANISATIONAL

HOW

WE WORK WITH YOU



Discover and Align - Understand “Why”

Building a solid understanding of the organisational landscape is the first step of the culture change process. We explore the various functions, people, and processes to identify what good looks like for the leadership team and where to focus energy and effort for this engagement. A strong narrative is formed for culture change to provide employees with a case for change that clearly articulates the direction of the organisation and the benefits of the desired future state.

Build a Baseline - Enlist and engage, measure and analyse

A core change team enables employees to own and sustain culture development initiatives. This team will be involved in developing the vision and change strategy, communicating with the organisation, and facilitating action plans. Team members are cross-functional with sufficient authority to make decisions and influence business units.

Data is collected through a mix of quantitative diagnostics and qualitative feedback sources to generate insightful knowledge for the organisational change process. This knowledge is then linked to key performance measures including safety, risk and financial performance.

Create Change - Debrief results, build capability and initiate planning

It is essential that leaders are clear on what the data is telling them and how it connects to the desired future state for the organisation. Building internal capability with the organisation's leaders enables them to interpret the data, involve key stakeholders in improvement planning and deliver on culture improvement plans for their business units. Leadership development initiatives are defined and implemented to ensure that leaders across the business understand their personal leadership strategies and how they impact on the behaviour and performance of their people.

Learn & Sustain - Finalise plans, implement, learn and adjust

Culture is a movement, not a program. It's important to monitor progress and maintain accountability on the implementation of actions. When plans are put into action, there will be a mixture of organisation wide initiatives run by senior leaders and local initiatives specific to business units. Communication is key during culture change, with each organisational member aware of the actions being taken and how they are progressing towards the desired future state. Leaders and core change team members should obtain feedback, track progress against goals, and adjust plans as needed.

CONTACT

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Culture Bites Podcast