



Measuring the effectiveness of your company's culture

Boards and senior management have long been aware that their corporate cultures shape the way people behave and affect how successful they are at delivering strategic business goals.

Across the globe, regulators continue to focus on the board's responsibility for embedding effective cultures, especially when it comes to establishing good risk management behaviours.

This presents two challenges to leaders. The first challenge focuses on obtaining rich insight and analysis of the impact on performance from the organisation's culture. The second challenge is determining how to build the most appropriate culture for the future needs of the business.

CULTURAL MAPPING SOLUTIONS

Systemic Consult provides clients with solutions for culture development across a range of different industries, working closely with a leading academic in the field to implement a proven methodology. We assess the culture within an organisation across several dimensions for the business activities our clients are interested in. These dimensions represent the natural way that business activities can be carried out.

Building on client experience and coupled with empirically researched models, our solution provides firms with an effective, easy-to-use and pragmatic culture assessments.

Getting beneath the skin

The culture assessment tool provides real insights about where a culture is working well and where it is creating problems. The frequency of deployment allows the executive team to regularly assess progress using metrics to monitor whether wider cultural development programs remain on track.

A meaningful cultural benchmark

A key differentiator, compared to a lot of other tools, is that the analysis allows a benchmark to be created that is specific to the client's organisation. Survey tools often propose to benchmark a company against everyone else, but two companies will very rarely achieve good performance in the same way. What matters is whether an organisation is doing business the way it wants to and whether the prevailing culture supports the firm in achieving its strategic goals.

"During 2015 the FRC will assess how effective boards are at establishing company culture and practices, and embedding good corporate behaviour, and will consider whether there is a need for promoting best practice."

Financial Reporting Council, 2015

"The inclusion of these proposed Prescribed Responsibilities reflects the expectation set out in the PRA's approach document that *firms should have a culture that supports their prudent management* and builds on the idea that boards and management of regulated firms should *embed the principle of safety and soundness in the culture of the whole organisation*."

Prudential Regulation Authority, 2015

No bias

The analysis element of our solution is deployed via a survey. This is not an attitude or employee satisfaction survey. The questions avoid the open manipulation and bias often seen from other more traditional approaches which ask the respondents to assess themselves.

Survey deployment

The survey can be set to access culture data from a single business unit or across multiple divisions/business units.

Clients have the option to maintain full control and flexibility to manage the survey deployment and monitor progress and participant engagement.

THE ANALYTICS

The rich and powerful insight our approach provides can be viewed across multiple dimensions based on the demographic information captured from survey participants.

A range of graphical analyses can be provided and tailored to meet the output requirements for reports and monitoring dashboards.

Crucially, senior management and the board are engaged to identify a meaningful and relevant internal cultural profile that they see as appropriate for a given business activity, function, or area of the business. In doing so, the desired overall profile for the entity can be determined.

FIGURE 1: CULTURE EMBEDMENT (0-100)

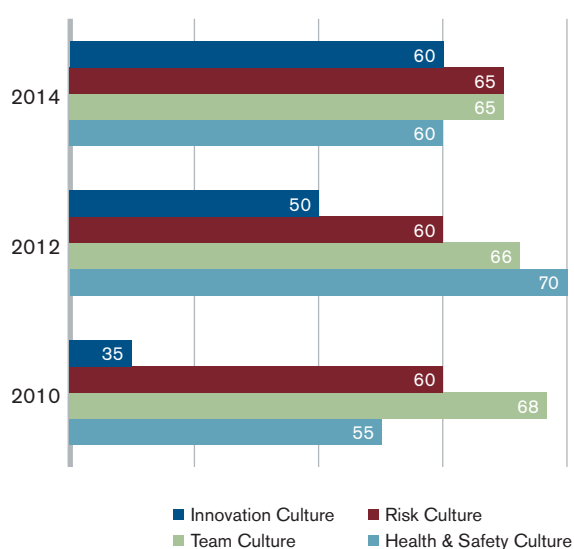


FIGURE 2: CULTURAL ALIGNMENT (0-100)

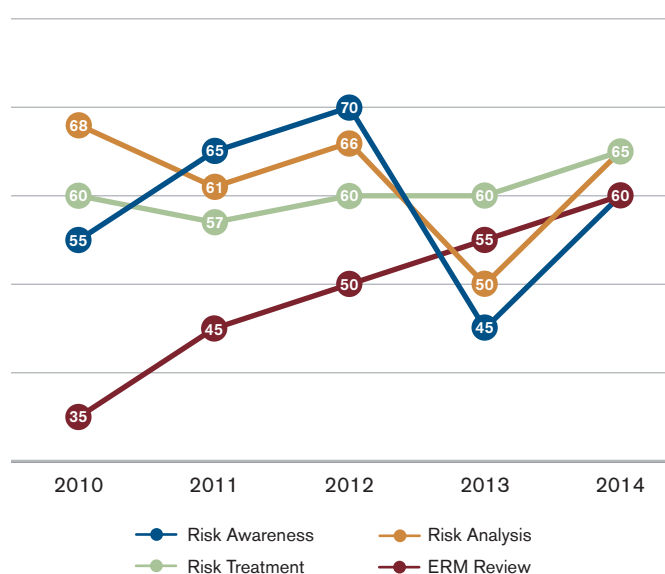
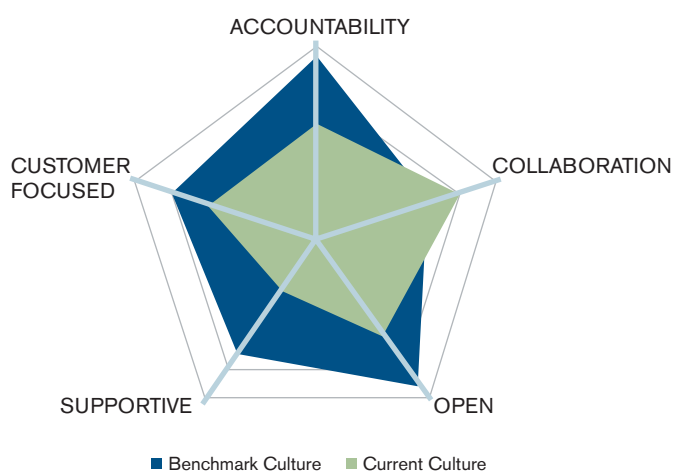


FIGURE 3: RISK CULTURE PRACTICES (0-100)



A range of graphical analyses can be provided and tailored to meet the output requirements for reports and monitoring dashboards.

THE INSIGHT

Management teams are looking for faster and easier approaches to accurately assess culture, not only to meet the regulatory cultural push but also to participate in the benefits gained from understanding their organisation's culture.

Quantitative cultural metrics enable clear and timely reporting to management and the board. These metrics work alongside wider programmes of cultural development to provide feedback on progress and pinpoint areas of success as well as those that require more focus.

Data can be provided on a range of areas to form a foundation of diagnosis and programs of cultural change:

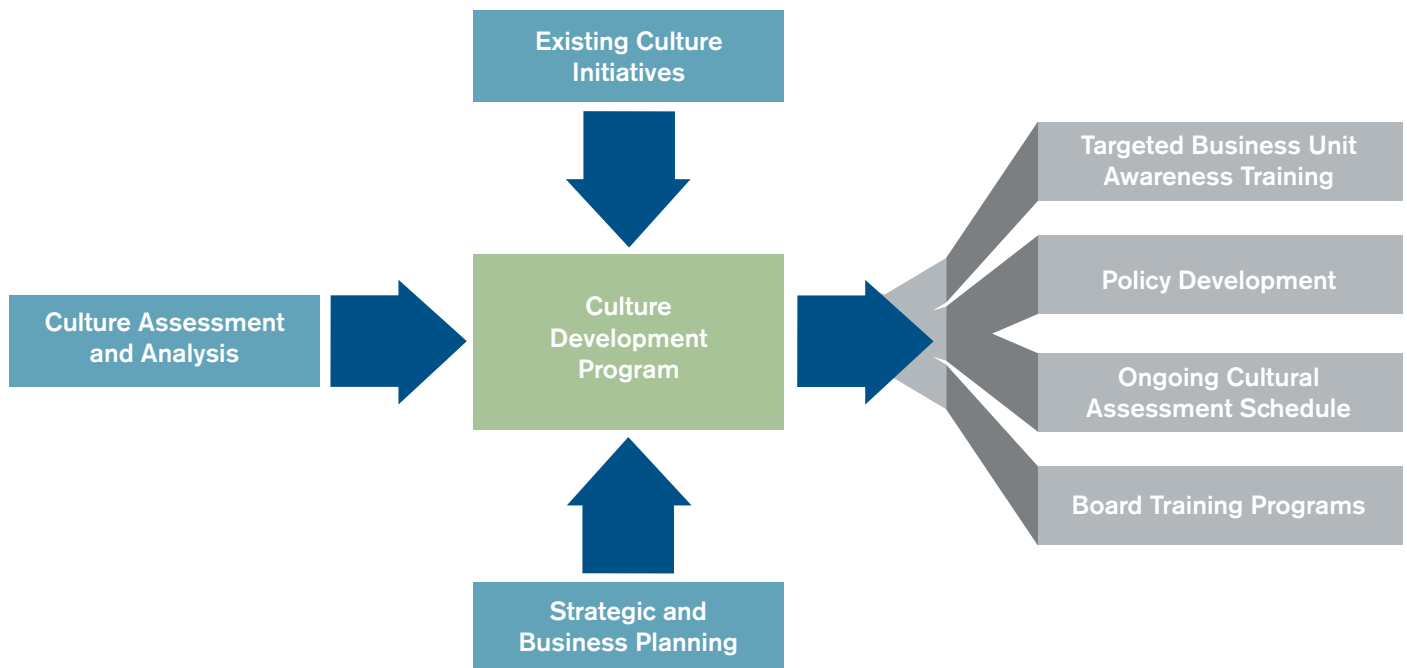
- Determining the extent to which a 'desired' culture is embedded
- Aligning the prevailing culture to the espoused organisational values
- Tailoring frameworks and practices to work effectively with different sub-cultures
- Tracking the speed of culture transmission
- Uncovering cultural differences across business units/ geographical locations

NEXT STEPS - BUILDING A CULTURAL PROGRAM

Using the analytics allows organisations to clearly identify differences in culture embedment between layers of management and for each business unit. Any identified gap in alignment to internally set benchmarks can help inform and focus development programs on areas requiring attention.

We assist our clients in developing programs and solutions that integrate existing initiatives and input from strategic and business planning processes to build a comprehensive culture development framework to be deployed throughout the organisation.

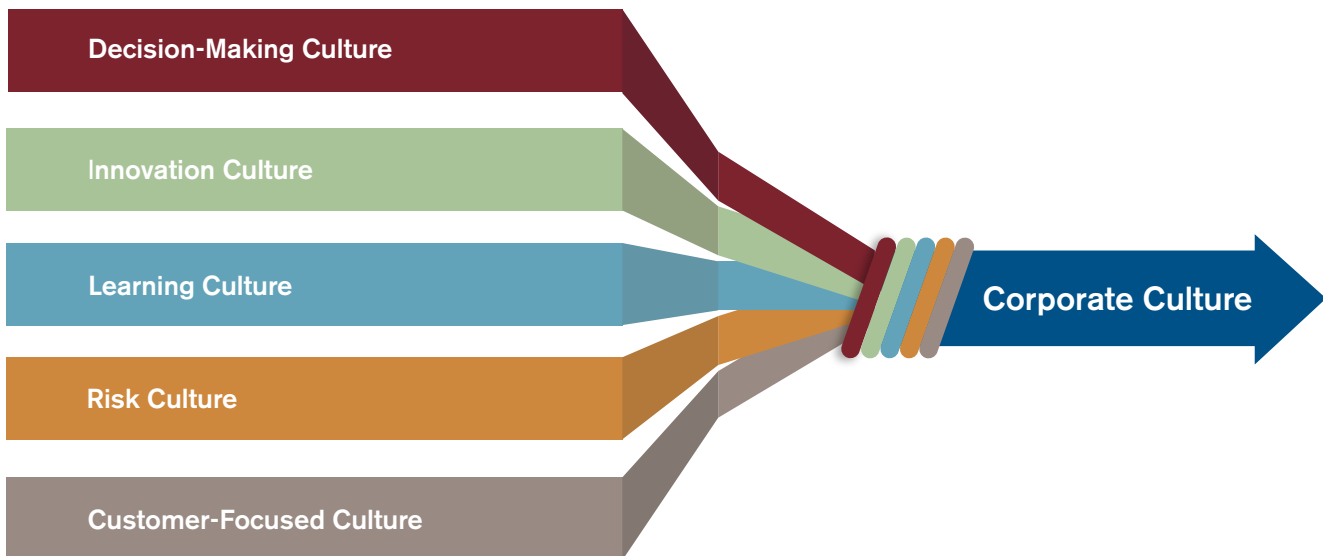
Quantitative cultural metrics enable clear and timely reporting to management and the board.



THE CULTURAL BLEND

Risk culture is just one component of the cultural profile of an organisation. A culture is unique to its organisation. It is derived from the blend of activities a firm places most value on. As such, linking in the 'learning', 'innovation', 'decision making' and 'health and safety' sub-cultures, amongst others, can allow a firm to get to grips with the organisation's wider culture.

Risk culture is a prime focus for regulators and the foundation for the success or failure of an organisation's risk management framework. **Systemic Consult's** solution allows other aspects of this unique organisational blend of sub-cultures to be assessed.



Please visit systemicconsult.com to learn more about how **Systemic Consult** can assist you with your culture development program, or to discuss directly, please contact:

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