Organisational Culture Report
July 2023

PREPARED FOR ...

Quirk

EXECUTIVE SUMMARY

<company> has been one of the most interesting organisational cultures we have assessed. It is relatively unique in currently having strong elements of a collaborative culture, but an equally dominant compete culture. It is rare to find an organisation with such strong showings in these two areas, as they are in tension with one another. A collaborative culture is orientated around a sense of 'clan' i.e. people being caring, nurturing and having really strong team bonds. A competitive culture is focused on achievement of targets, and a very driven, slightly selfish team who are intent on winning, rather than being supportive to their peers.

Two such opposing values are not generally sustainable in the long term; it is normal that one will come to the fore. This is borne out in the results of our analysis, which shows that the majority of the <company> team, across all levels and departments, wish to see a reduction in the competitive culture in the business and an increase towards the collaborative and family feel.

It is important to recognise that an organisation which has strong collaborative values can be just as successful as one which is heavily KPI driven and rewarded. The prime examples of this are described in Gary Hamel's book Humanocracy; where Buurtzorg and Nucor outclass all of their competitors in terms of revenue, profit and growth, by focusing on the collaborative and empowered style of culture, not setting financial targets.

Drawing from the interviews, analysis of the preference in leadership styles and other measures we have completed; we believe that the current cultural dichotomy within <company> is being driven by a number of factors. Foremost among these is a noticeable variance between leadership behaviours and what is measured / held important. Edgar Schein argues that, for an organisation to be at peak performance, what is measured should match the behaviours and values across the organisation.

In <company>, the behaviours are of supportive and family traits, but rewards and success are driven by sales/financial numbers and KPIs. Both aspects are needed, but one is normally less dominant than the other – whereas in <company> they are almost at parity.

The above creates variations across the organisation in six key cultural aspects including; what is rewarded, how people are treated, what the strategic emphasis is and what the glue is that holds it all together. Some of this will be down to the rate of <company>'s growth through acquisition, with new arrivals finding their feet within the company. Some of it will also be due to the inevitable cultural differences between departments, but care should be taken not to allow inter team and inter level cultural anomalies to propagate.

Based on the results we have seen from our culture diagnostic, these are our recommendations:-

RECOMMENDATIONS:

- Fill in the missing pieces that make for a strong Collaborative culture, specifically greater empowerment and an increased focus on people development. Greater empowerment will necessitate more achievement style leadership.
- Help Leaders also develop suitable 'Participative style' leadership skills.
- Continue to build routes by which employees can bring ideas and feel heard. We suggest this be a particular emphasis with all new acquisitions, to bolster early claims of a collaborative culture.
- Leverage the new Organisation Design, to increase coordination and smooth-running within the organisation. This is especially important with the rate of acquisition and associated influx of different processes and systems.
- Continue to drive out any type of reward that could be perceived as favouring Sales (other than their standard commission).

Culture is what makes employees feel safe, happy and drives productivity. Studies have shown that culture has not only a short-term impact on performance, but lasting effects as a competitive edge. Specifically, the research has shown an advantage in ROA, sales growth, and market value.

<company> is a strongly performing organisation, and has a good culture. This report describes the ways in which culture changes could bring about even greater success.

MEASURING CULTURE

OVERVIEW

We use a well-established instrument known as OCAI, used by many 1000s of organisations to analyse survey results from every employee in an organisation. We use our own survey tool to capture these results as easily and reliably as possible from the employees. Combined, these provide a quantitative set of results that provides a model of the organisational culture that can be pivoted to examine different viewpoints. For example, the data can be set in the present or future, within different departments or from the perspective of different roles/positions in the organisation. More details can be found in Appendix A.

The OCAI instrument assesses 6 different aspects of culture, combined to give an overall score for each of the four culture types. It can be useful to drill into these aspects to get additional clarity on why a particular type has been scored low, high, or identified as the dominant type. More details on these six types can be found in Appendix B.

Different cultures favour different leadership styles and so we use another instrument based on Path-Goal theory, along with our survey tool to assess leadership styles utilised within the organisation. We can then look at the level of congruency between the existing and desired organisational culture, identified in the OCAI, and its leadership skills, identifying possible areas of development needed. More details on Path-Goal instrument can be found in Appendix C.
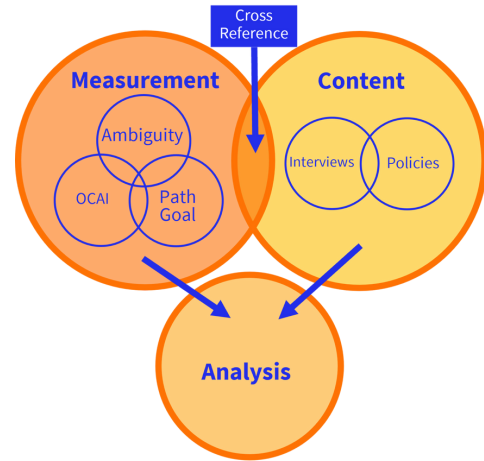
To add context and a reality check, we interview between 5% and 10% of the organisation's employees to incorporate qualitative data that supports or refutes any assumptions or hypotheses we may have derived from the quantitative survey data. This really deepens our understanding of why employees have scored different aspects of the surveys, which in turn gives greater insight to leadership on changes that might be needed.

Finally, and optionally, we can add psychometric employee results. As with the Leadership styles, different cultures can favour different individual 'types' and including psychometrics can help individuals understand better how they fit within an organisation, the challenges and how they can adapt and grow to further their performance and fit.

OVERALL OCAI RESULTS

The overall perceived culture of <company> is represented by the blue lines in figure 1. (for more information on the OCAI, see Appendix A)

The dominant culture type is the one that scored the highest - which is clearly shown in the diagram as Compete (scored 32), representing an environment that is competitive and goal-oriented where the key priorities are productivity, results and profits.

This is followed by Collaborate (scored 27), Create (scored 24) and Control (18).

Figure 1

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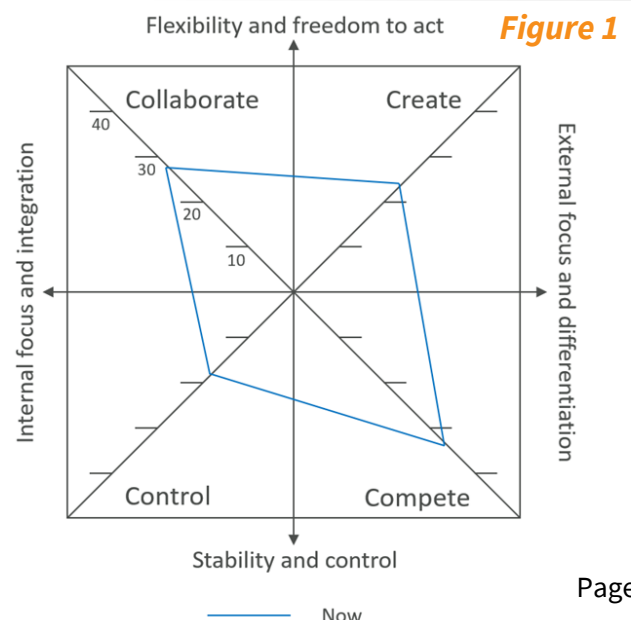
OVERALL OCAI RESULTS (CONTINUED)

It is difficult for an organisation to value diagonally opposing culture types. Typically, we see the diagonally opposing type to that which is dominant being the least valued (lowest score). <company> is therefore unusual because the dominant opposing type (collaborate) is the second most highly valued.

Our interviews and observations from working with <company> for several years however supports the survey findings that there are indeed two opposing sets of values. On the one hand, we hear of leaders driving hard for growth with a fast pace of acquisitions and a lean workforce where employees do at times feel burnt out.

On the other hand, there are frequent mentions of leaders speaking about the importance of family, running activities such as <company>fest to engender a sense of 'us-ness' and fun, and benefits like the 9 day fortnight.

To get a better understanding we drilled in further to examine how different departments and leadership perceive the culture, and also to look at the individual levels of the six measured aspects of culture.

DIFFERENCE IN PERCEIVED CURRENT CULTURE

Figure 2 shows the current culture as perceived by leaders, everyone who isn't a leader and also just the Commercial department.

Here we see significant differences between how leadership, the rest of the business and just the Commercial department perceive the company culture. Leadership believes the Collaborate culture, representing an environment that has a family feel, is collaborative and where the key priorities are commitment, trust and collaboration; dominates. Conversely the rest of the business, and Commercial even more so, believe the organisation has a more Compete culture.

In interviews we heard of people working together effectively as teams with a sense of family, all members pulling together and focussed, together. Of particular note were the interviews with Commercial, where we heard examples of teams working together in order to drive sales; one person's 'success' was in fact the whole team's success.

This contrast to the survey results, suggesting that people may have been answering the survey in the context of <company> as a whole and not their own smaller team. i.e. when considering their smaller teams, there is a greater sense of Collaborate culture, whereas they perceive the company as a whole as being more strongly a Compete culture.
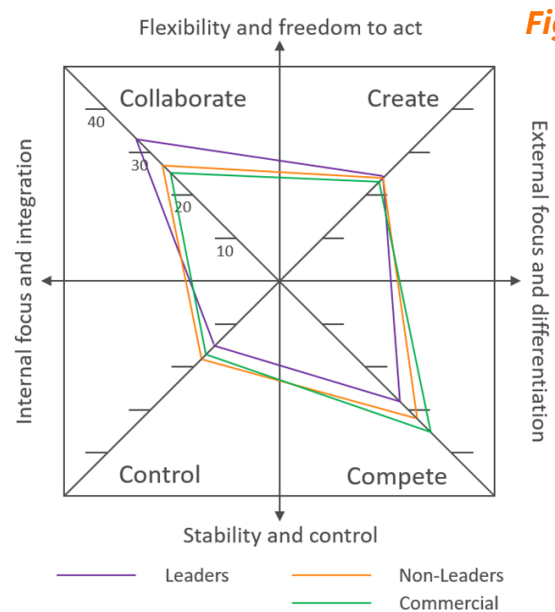

Figure 2

If correct, this is an area that should be explored further – difference between team culture and that of the wider organisation is normal but also an area where friction can occur. If leaders are pulling in one direction with an associated set of expectations but these differ to the team, it can lead to resistance and lack of trust. This is even more likely where the culture types are diagonally opposing. Examining why there is this difference and finding ways to break down barriers of understanding and expectations is paramount.

The incrementally higher Compete value from Commercial is likely due to their more laser focus on monthly targets such as revenue where other parts of the organisation have little to no KPIs. Frequent measurable targets to which employees are held accountable are the hallmark of a market driven culture

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DIFFERENCE IN DESIRED CULTURE

It is then important to understand what the same groups believe the culture should be in the future in order for the organisation to be its most effective.

Across the whole organisation there is a strong desire to reduce the strength of the Compete culture and to increase the level of both Collaborate and Control. In the original research that led to the development of the competing values framework, it was noted that where there was a difference of 10 or more, immediate action should be taken, and 5-10 is still significant. It is therefore significant that the desired decrease in Compete culture is 14 and the desired increase in Collaborate is 9.

Before reaching any view as to why there is this difference we should first dive down a level to see how the differences are reflected within different parts of the organisation and particularly leadership.

### Figure 3 - Now vs Desired - Overall Company
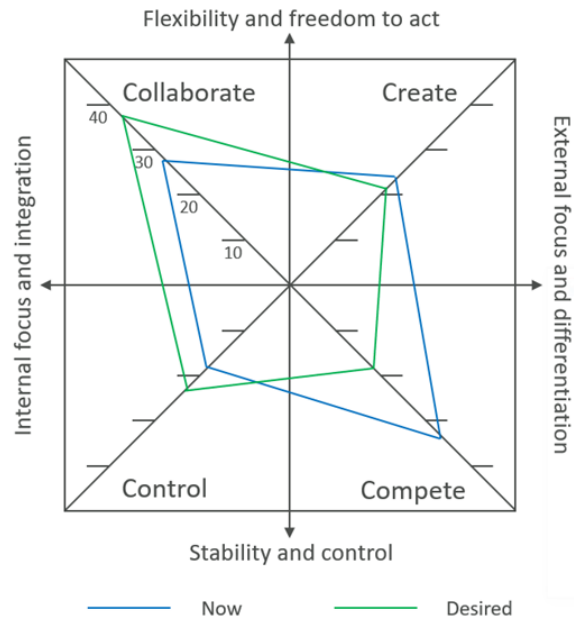
	Now	Desired
Collaborate	27	36
Create	24	21
Control	18	23
Compete	32	18

Figure 4 - Desired Leadership vs the rest of the organisation

As expected due to the volume of respondents in each group, 'The rest' (of the organisation) largely aligns to the previous overall results for desired culture. The leadership group on the other hand diverges significantly, expressing a desire for :

1. Only a small increase in Collaborate (+3) vs the rest (+10)
2. No change in Control vs the rest who want to see this increase (+5)
3. A small reduction in Compete culture (-5) compared to the rest who want a very significant reduction (-15)

It is important to understand the reasons for this discrepancy, especially given the leadership desire for something significantly different to the rest of the organisation.
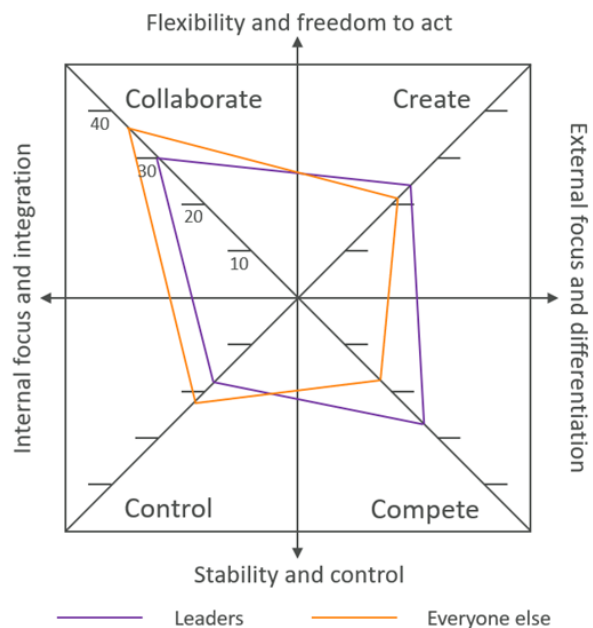
|	Leaders	Everyone else
Collaborate	30	37
Create	24	21
Control	18	23
Compete	27	17

PATH-GOAL LEADERSHIP RESULTS

The chart in Figure 5 represents the different Leadership styles and the relative level to which they are applied within <company>, based on the survey results. We have presented the data returned by the Operations Division, being the largest group in <company>, as well as Leadership and the organisation as a whole.

INITIAL OBSERVATIONS

The dominant leadership style in <company> is Supportive, meaning that leaders are felt to create a warm and friendly environment, showing concern for their employees and presenting themselves as approachable and friendly. Given <company>'s expressed desire to forge a family type culture, this is very encouraging.

The second highest scoring style differed between Leadership and the rest of the organisation, with Leadership believing this to be Directive but followed very closely by Participative, whilst the rest believed it to be Directive. This is an important point because the rest of the organisation actually placed Participative as the lowest scoring of all four. Participative represents a style that is highly collaborative, involving employees in decision making by welcoming their ideas and considering these before making decisions. This suggests that employees don't feel heard or their ideas considered.
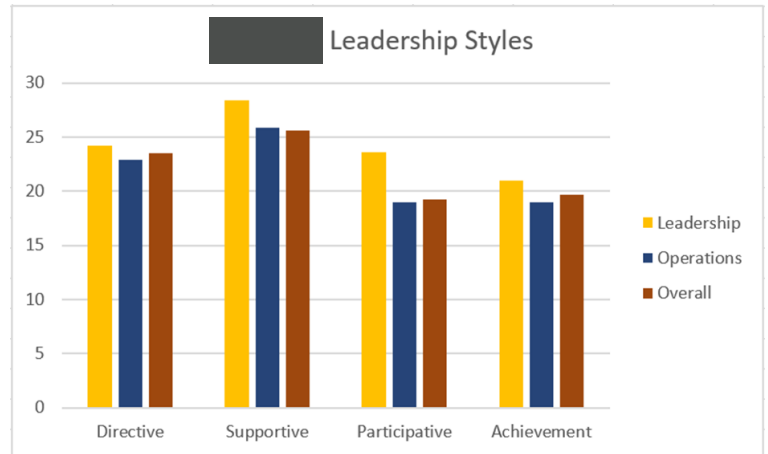
The Achievement style is significantly low scoring. Representing a style that challenges employees to strive for ever higher performance, and a leadership style which empowers people to have 'freedom in a framework', the low score would suggest that individuals in <company> don't feel that they do have freedoms and so wait to be directed – rather than striving for their own success.

More details on Path Goal Theory can be found in Appendix C.

INTERVIEWS

We always look to supplement our more quantitative surveys with qualitative data through interviews. Where possible we try and interview 5-10% of the organisation, ranging across both different departments and roles. In the case of <company>, we invited 30 people to participate, of which we successfully interviewed 19 people in the time available which is 5% of those surveyed.

It is important to note that those identified to be invited were those believed to most likely engage in providing feedback. This does mean there is a chance of bias being introduced because, those most engaged may be more likely to be positive about their employer. The only exception is where a company has a very transparent, well established psychologically safe environment such that they feel able, and safe, to provide negative feedback and suggestions. With this in mind, we use interviews in support of the survey, not as an alternative suggestion of the culture.

LEVEL OF ENGAGEMENT

Figure 6

The overall level of participation in the survey was 45% with the level of engagement higher the longer people had been with the company. The level of participation/engagement in the survey dropped off the lower the tenure of employees. The numbers who started but didn't then complete the survey also increased as service level decreased.

Bear in mind almost all employees join the business through an acquisition, and we received feedback during interviews and other group training activities that employees from recent acquisitions didn't feel qualified to comment on <company>'s culture. Also recently acquired employees are still in a state of change and early integration into <company> and may therefore simply not want to participate, whether due to the additional pressures inevitable during onboarding and early integration into the company, or simply out of protest.
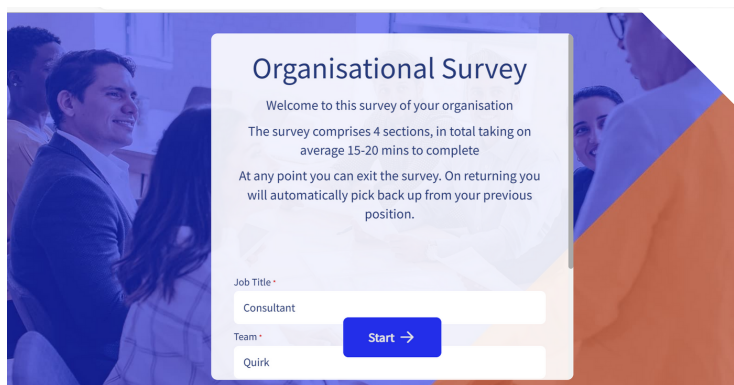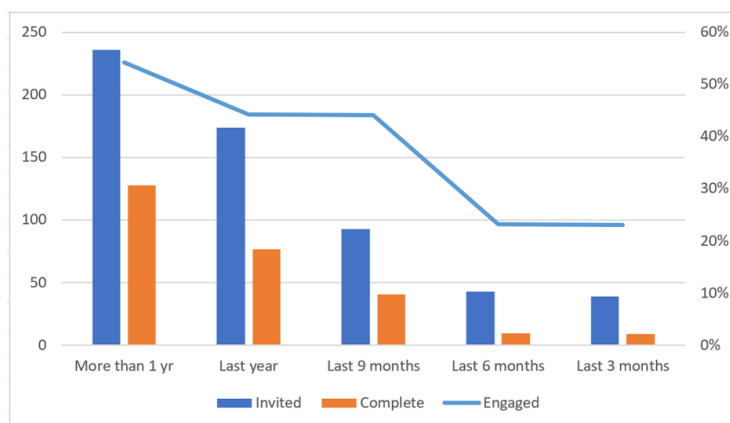
KEY OBSERVATIONS AND FINDINGS – COLLABORATE CULTURE

All but Leadership want to see a significant increase in Collaborate culture (+10) and Leadership want to see a small increase (+3)

STRONGER AND WEAKER CHARACTERISTICS

A collaborate culture has a number of possible characteristics, including a desire to (and enjoyment in) collaborating, leaders being great mentors, employees feeling empowered, a sense that team results are of higher priority than that of the individual, and a strong focus on people development.
It is possible for some but not all of these characteristics to be present. It is also possible for people to express a desire for more of particularly absent characteristics, even where others are already present. Based on our experience with <company> and the interviews, we believe this is likely the case.

Interviews support the idea that individual teams collaborate well and have that strong sense of team. People also talked of leaders seeking to provide a family-esque environment with 9 day fortnights and events like <company>fest. There was glowing praise for many of <company>'s leaders including <leader 1>, <leader 2>, <leader 3>, <leader 4>, <leader 5>, <leader 6>, <leader 7> and <leader 8>. Leaders at all levels were valued for being collaborative and approachable but also acting as strong mentors, focused on finding opportunities for people to grow.

However, some commented on leaders getting too involved, directive and staff not feeling empowered. It was widely felt that the 'tight control' on decision-making modelled by Matt was reflected throughout the company; a perceived lack of freedom to make decisions being a recurring theme. Many expressed frustration and feeling stifled at not being able to seize the initiative to make quick wins for the benefit of the business. Some felt however that freedom to make decisions is growing, but at a rather slow pace.

Based on the interviews and other experience at <company>, we believe this desire for greater empowerment and trust in decision making is the primary reason for the strong desire for a more Collaborate culture outside of leadership.

Examining the six aspects of Culture (Cultural Congruence) further corroborates this finding – see further down this section.

IMPACT OF ACQUIRED CULTURES

Given <company>'s high rate of acquisition, it is also likely that the large desired increase of 'everyone else' is a reflection of the small company cultures being acquired into <company> which, from our acquisition focus groups, have been very Collaborate oriented. Moving from these cultures into <company> can be quite an uncomfortable shock for many and this could be reflected in many expressing a desire for a return to what is familiar - a more family-type culture.
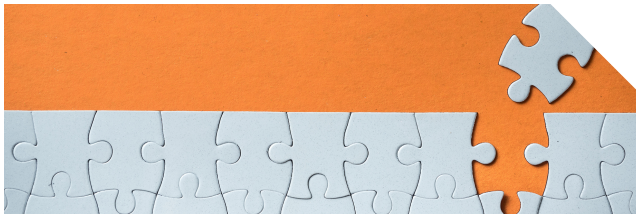
Regardless of <company>'s professed 'family culture', newly acquired employees are confronted with a larger, more complex, structured organisation that will inherently feel, initially, more corporate.

Some may have past experience of working within a larger organisation and will bring with them a bias in expectation. If the initial experience of <company> is in any way supportive of this historical bias, for example experiencing slower decision making, less empowered and silo'd employees, or more process; the bias will be strengthened. Looking for ways to quickly counter these by experiencing the Collaborate characteristics highlighted in interviews will help.

More details on how the OCAI can be interpreted can be found in Appendix A

IMPLICATIONS OF THE SIX CULTURAL ASPECTS (CULTURAL CONGRUENCE)

As described in Appendix B, there are six aspects of culture measured as part of the OCAI survey, How they are valued can give us an indication of any specific aspects that are more highly valued, and desired, or the opposite, than the overall culture level. The overall results for each of the six aspects can be found in Appendix B.

Below (Figure 7) we compare the relative strengths of the six cultural aspects specifically in the context of Collaborate.

Basic Assumptions	Interaction Patterns	Organisational Direction
Dominant Characteristics The main feel and characteristic of the overall organisation	**Leadership Style** The leadership style that permeates through the organisation	**Strategic Emphasis** What are the areas of emphasis that drive the organisation's strategy
Organisational Glue The bonding mechanism that holds the organisation together	**Management of Employees** the style that characterises how employees are treated	**Criteria of Success** The criteria that determines how victory is defined and what gets rewarded / celebrated

Figure 7

Management and Glue are higher whilst Strategic Emphasis and Criteria of Success are significantly lower, both now and the desired culture.

'Management' is very much associated with managers creating a good collaborative, participative environment, whilst 'Glue' in the context of this segment is about having high loyalty. Both of these support what we heard about individual teams collaborating well and having that strong sense of team. Employees appear to want a still greater sense of loyalty.

The low 'Strategic Emphasis' and 'Criteria of Success', within this culture segment, suggests a feeling that there is a lack of emphasis and value placed on human development and a lower feeling of trust, openness and participation across the whole business. We have already heard in interviews of employees believing there is a lack of empowerment, which is synonymous with a lack of trust so these findings further support this interpretation.

IMPLICATIONS OF THE LEADERSHIP STYLE SURVEY

A Collaborate culture is closely associated with a style of leadership known, in Path-goal theory, as Supportive. Supportive leaders create a warm and friendly environment and show concern for their subordinates. These leaders are friendly and approachable and do their best to make work pleasant for their followers.

It is therefore encouraging to note that the dominant leadership style overall across <company> is the Supportive type, and certainly the feedback we heard during interviews and group activities has been overwhelmingly positive in respect of how approachable senior managers are.

The Participative style is also important as this is centred on collaboration with subordinates, involving them in decision making and taking into consideration their input before making a decision. It is noteworthy that Leadership place their Participative style much higher than the rest of the organisation, something which is further corroborated by employee interview feedback.

On the one hand, some employees stated they felt that ideas they brought to their managers were duly considered, whilst others said they believed decisions were made top down and that they had little input, reflective of the low scores against this leadership type. Of course in an organisation executing as rapidly as <company> it can be difficult for leaders to take the time to consider and provide feedback on every idea, yet employees feeling heard is an important aspect of building the Collaborate like culture. In these cases, we suggest exploring ways for a more structured employee idea/feedback program which can scale whilst not loading individual leaders. Meanwhile continuing to devolve authority using concepts such as 'Freedom in a Framework' will help accelerate the rate of execution in the business and give employees a greater sense of empowerment.

SUMMARY OF COLLABORATE CULTURE

<company> have many of the component parts required for a strong Collaborate culture and employees notice and appreciate them. Leaders are highlighted as good mentors, valued for being collaborative, approachable and friendly. Employees believe the CEO and senior leaders are sincere in wanting to provide a nurturing, family environment, evidenced by the 9 day fortnight, <company>fest etc. What needs further development is empowerment of employees and trust, such that they feel heard. The culture would also benefit from a greater value being placed on people development and ensuring that recognition is consistent across all areas of the business, to remove any sense of Sales vs the rest.
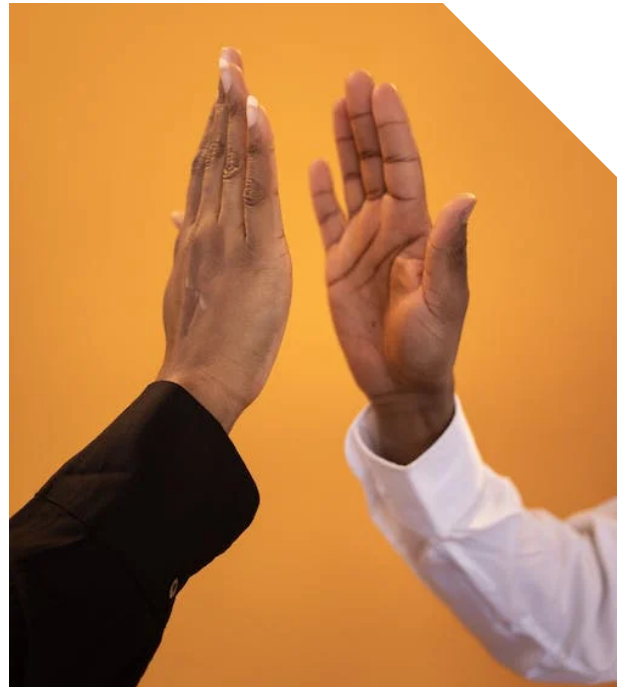
KEY OBSERVATIONS AND FINDINGS – COMPETE CULTURE

All but Leadership want to see a significant decrease in Compete culture (-14) and Leadership want to see almost no change (-1)

Compete culture covers quite a wide range of characteristics, including results oriented, hard driving leaders, competitive, a focus on customers, an intense climate, strong accountability to targets and KPIs, and prioritisation of profit or impact.

We doubt that the customer focus is seen as negative – many employees have stated this is something about which they are proud during interviews and in the many training events we have run to date.

One possibility is that employees are reacting to the constant drive for growth that is causing employees to comment to us about being 'exhausting' and 'demoralising'. This has been particularly noticeable in Operations where newly acquired engineering staff have commented on the backlog growing exponentially.

It is also worth considering that many employees joining <company>, come from small company's whose cultures were mostly Collaborate/family like (this is covered in the previous section on Collaborate culture), as evidenced by our post-acquisition workshops; and whose customer base was relatively static and with a low drive for growth.

Two other themes have emerged from interviews that may be impacting the desire for reduced Compete culture:

1.   Sometimes it is felt that profit is put ahead of doing the right thing for customers. Specific examples were cited in interviews and other workshops which included acquired customers being given higher minimum spends on their contracts (<company> policy) shortly after being acquired. Also changes in pricing for smaller businesses inherited through acquisition.

2.   The intensity, as per the earlier point about the constant drive for growth. In interviews we heard that people want to have a point where the drive for growth is stopped/paused to give them the chance to take stock and regroup.

KEY OBSERVATIONS AND FINDINGS – CONTROL AND CREATE CULTURES

The chart in Figure 8 shows the relative strength of value placed on the two remaining, diagonally opposing culture types, Control and Create, across the different divisions of <company>.

The overriding theme is of a desired increase in Control (+5 across the whole organisation) and a decrease in Create (-3). However with the exception of Operations, Finance and HR, other divisions still desire a culture where empowerment and outward customer centricity trumps process and inward focus.

It is quite clear that there is an overall expectation that structure and processes will need to increase as <company> increases in size – thus the future desire for an increase in Control culture. Also a lack of processes identified in some interviews has becoming a problem as well as a lack of clarity over expectations in role.

Leadership don't believe there is as much of a Control culture as that perceived by their employees although all groups see this as currently minimal. Based on interviews and discussions, we suspect this small difference in control could be skewed by the perceived directive approach of the CEO that has been evident in interviews and group discussions.

Figure 8

	Create - Now	Create - Future	Control - Now	Control - Future
Commercial	23	22	17	22
Leadership	24	24	15	18
Operations	22	20	19	25
Finance	25	20	19	26
HR	27	17	15	21
M&A	28	25	16	21
Marketing	27	24	12	19
Overall	24	21	18	23

Nevertheless, Control is still the lowest scoring of the 4 OCAI quadrants, which is at odds with the high Directive leadership style identified by everyone in <company> (the second highest scoring Leadership style). We suspect this is more a reflection of how the CEO's style is perceived, based on feedback in many interviews. To quote, "Jeff is <company>"

Maintaining a good measure of Create whilst inevitably introducing elements of Control is always a challenge for organisations as they grow. Continuing to develop understanding and practice of Freedom in a Framework, which empowers employees to take risks and innovate whilst still within a control structure should help.

[END OF BODY OF REPORT]

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Appendices

APPENDIX A – ORGANISATION CULTURE ASSESSMENT INSTRUMENT (OCAI)

Ihe Organisational Culture Assessment Instrument (OCAI), is a well-established tool used by 1000s of organisations to assess organisational culture. The methodology was developed by University of Michigan professors Dr. Kim Cameron and Dr. Robert Quinn and based on something called the Competing Values Framework.

Through statistical analysis, Cameron and Quinn and their research team determined that, of 39 major indicators of organisational effectiveness, there were two primary dimensions.

The first dimension comprises an organisation's flexibility, discretion and dynamism (top of the model below), as opposed to their stability and predictability (base of model). The second dimension comprises an organisation's internal orientation, integration and unity (left hand side), as opposed to their external orientation, differentiation and rivalry (right hand side). The dimensions are divided into four quadrants, each representing quite distinct characteristics that people deem indicative of organisational effectiveness and as such, valued.

A company's culture is a unique blend of these four different cultural types, represented on a diagram as a shape that extends into each quadrant. The degree to which it extends into each quadrant expresses the strength of that particular type in the culture. Also, as can be seen in the example below, there is typically one culture type that dominates (Collaborate in the example below).

THE FOUR CULTURE TYPES (QUADRANTS)

The **Collaborate** culture is a highly collaborative place to work with a sense of loyalty, community and trust. Employees share the same values, beliefs and goals. Leaders are strong team builders and mentors who are approachable and supportive, empowering employees to improve performance of the organisation and valuing them for their individuality. Teams may operate on a semi-autonomous basis and rewards granted on the basis on their performance. Customers are treated more like partners in the business.

Create culture organisations typically exist in fast paced, ever changing and often uncertain markets; necessitating ongoing creativity with speed of innovation and adaptability highly valued. Employees are super-flexible and able to thrive in an environment where there can be a lot of change and uncertainty. Leaders reward this and other risk taking behaviour where the priority is speed of learning and failure is seen as opportunity to iterate and improve. Teams form and reform dynamically to address the latest challenges, without necessarily top down instruction or structure.

Compete culture organisations are result oriented whose major concern is with getting the job done. People are competitive and goal oriented. The leaders are hard drivers, producers and competitors. They are tough and demanding. The glue that holds the organisation together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organisational style is hard-driving competitiveness.
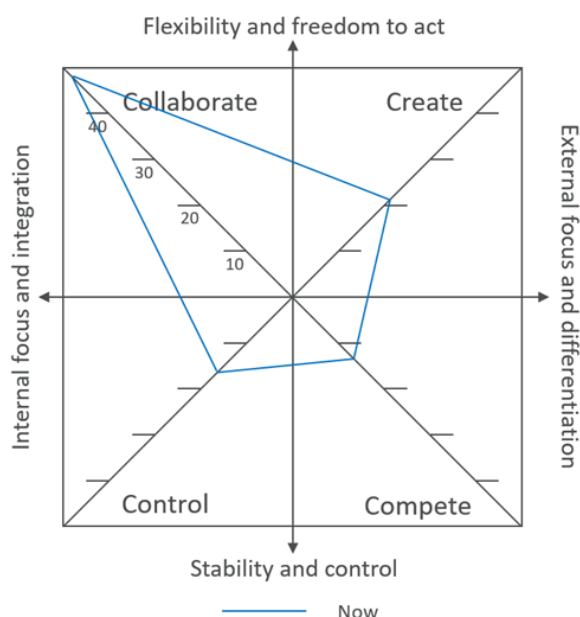
The **Control** culture is a very formalised and structured place to work. Procedures govern what people do. The leaders pride themselves on being good coordinators and organisers who are efficiency-minded. Maintaining a smooth-running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and predictability.

The characteristics that people in an organisation value most, will differ according to its type and market. For example - government organisations are viewed as more effective if they are stable and predictable, while high tech companies more so if they are highly adaptable. Invariably an organisation will have aspects of all four quadrants, just to greater or lesser degrees. There are certain cultures that are considered preferable for particular types of organisation and their market, however the primary purpose of this assessment is to identify where there is a lack of congruence between leadership and other parts of the organisation, both in their view of the current culture and that which they desire. If not addressed, these can lead to poor performance and dissatisfaction.

Hallmarks of an organisation that can improve in effectiveness are where there are significant differences between:

- Perceived current and desired culture across the whole organisation.
- How departments perceive the overall current culture and what they believe would be the most desirable culture for the organisation to be most effective.
- Departmental perception of 6 different cultural characteristics examined as part of the assessment.

APPENDIX B – OCAI CONGRUENCE ACROSS ASPECTS OF CULTURE

INTRODUCTION

There are six different aspects of culture, reflecting the key fundamental cultural values and implicit assumptions about the way the organisation functions. These are measured and combined to provide the results detailed in previous sections. The six aspects, sometimes referred to as dimensions of culture, are measured as part of the survey and are:

Basic Assumptions	Interaction Patterns	Organisational Direction
Dominant Characteristics The main feel and characteristic of the overall organisation	**Leadership Style** The leadership style that permeates through the organisation	**Strategic Emphasis** What are the areas of emphasis that drive the organisation's strategy
Organisational Glue The bonding mechanism that holds the organisation together	**Management of Employees** the style that characterises how employees are treated	**Criteria of Success** The criteria that determines how victory is defined and what gets rewarded / celebrated

The six items merely describe some of the fundamental manifestations of organizational culture. These dimensions are not comprehensive, of course, but they address basic assumptions (dominant characteristics, organizational glue), interaction patterns (leadership, management of employees), and organizational direction (strategic emphases, criteria of success) that typify the fundamentals of culture (Cameron and Ettington, 1988).

Cameron and Quinn's research on 'Diagnosing and Changing Organisational Culture, found that congruent cultures, although not a prerequisite for success, are more typical of high-performing organizations than incongruent cultures. Having all aspects of the organisation clear about and focused on the same values and sharing the same assumptions simply eliminates many of the complications, disconnects, and obstacles that can get in the way of effective performance. Incongruence is often experienced as different parts of the business pulling in different directions, feelings of ambiguity and accusations of hypocrisy.

Plotting the data for each of the six aspects onto the OCAI chart gives a quick view on where there is any incongruence and from this, suggests areas where there may be these disconnects.

<COMPANY> RESULTS

The following charts represent the current and future desired cultures for each of the six aspects and implications for <company>.

Overall there is considerable consistency across the 6 aspects, albeit their levels differ. There are also some noticeable differences.

Overall Dominant Characteristics, Organisational Glue and Criteria for Success are largely the same as the overall results shown previously, with Compete being the dominant culture followed by Collaborate, but with a desire for this to reverse.

Current Organisational Leadership also has the same dominant culture of Compete but with a different desired dominant culture of Control, meaning a desire for stronger coordination, organising and smooth running of the organisation.

The current Management differs in that it shows Collaborate as the dominant culture but the desired characteristics of Management differ considerably, with a desire for more Control which in the context of Management means a desire for greater security of employment, predictability and stability.

Strategic Emphasis differs considerably from others, showing the Create and Compete cultures being of equal value. In the context of Strategic Emphasis, these culture types represent an emphasis on acquiring new resources and creating new challenges

Basic Assumptions — Dominant Characteristics and Organisational Glue
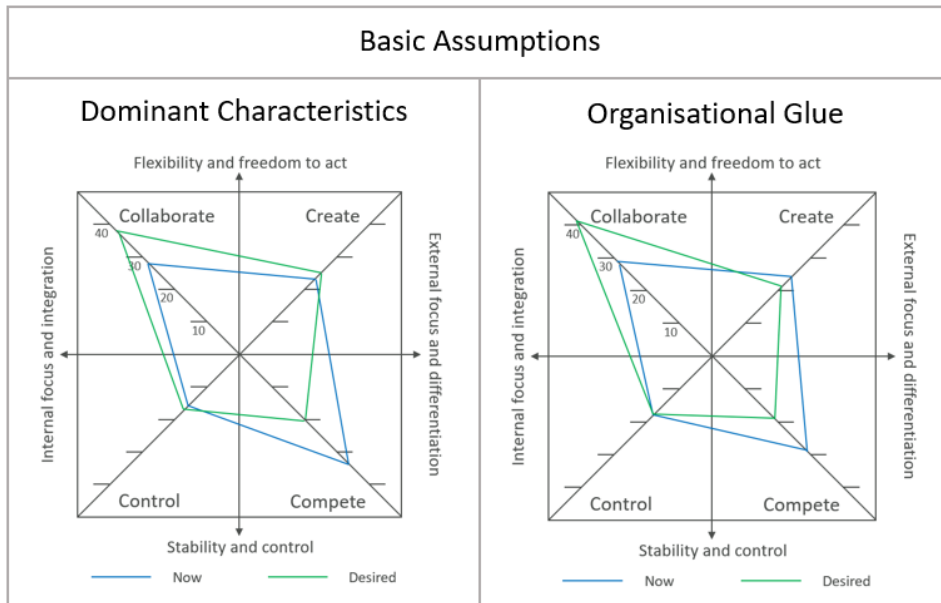
Dominant Characteristics – What the overall organisation is like:
Not surprising, this largely represents the overall culture as assessed earlier in the report. The only significant difference is in the 'control' culture – employees don't wish to see the organisation change to feel any more or less controlled, structured, or with formal procedures governing what people can do.

Organisational Glue - What holds us together:
Unsurprisingly based on the overall results, employees desire a very strong sense of loyalty and mutual trust above all else to be the glue that holds the organisation together. They want to work in a place where they can be strongly committed. The desired decrease in focus on achievement is in-line with the overall company results


Interaction Patterns — Organisational Leadership and People Management
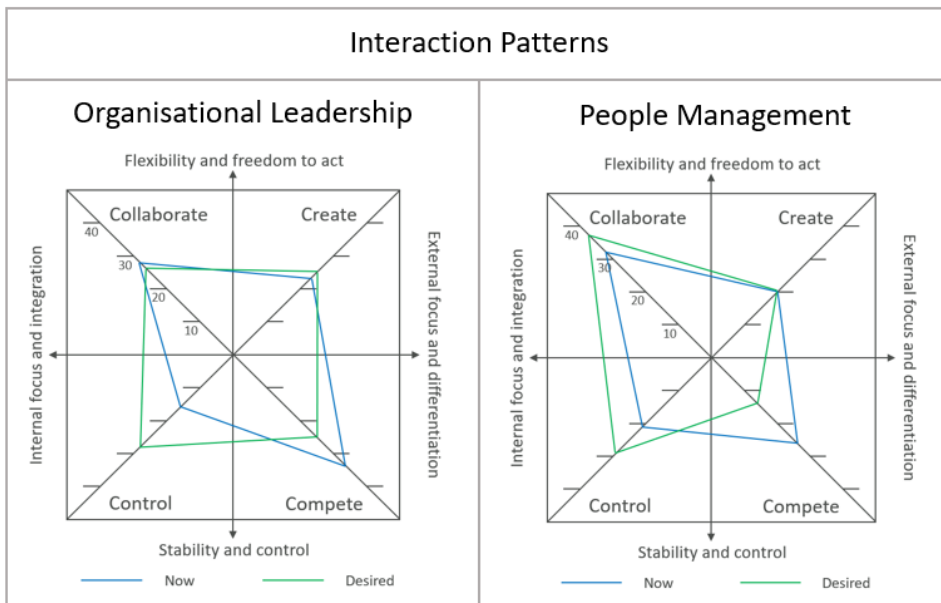
Organisational Leaders - leadership style that permeates the organisation:
As we already know from previous sections, people want to see organisation leaders demonstrate a less aggressive, results-oriented focus. However they would like to see them exemplify a greater coordinating, organising, smooth-running approach to the organisation. We suspect this reflects employees generally feeling discombobulated and a desire for greater stability and slower rates of change.

People Management - how employees are treated:
Employees consider the Management style of the organisation to already be strongly collaborative, characterised by teamwork and participation. This contrasts with the overall results and every other of the six cultural aspects which scored Collaboration characteristics as significantly lower. This speaks to the nature of managers and how they work with their teams.
There is a strong desire for the management style to more greatly exemplify security of employment, predictability and stability. It is also of note that the desired decrease in compete is greater than expressed for the overall company, suggesting employees want a management style that is significantly less hard driving and demanding.
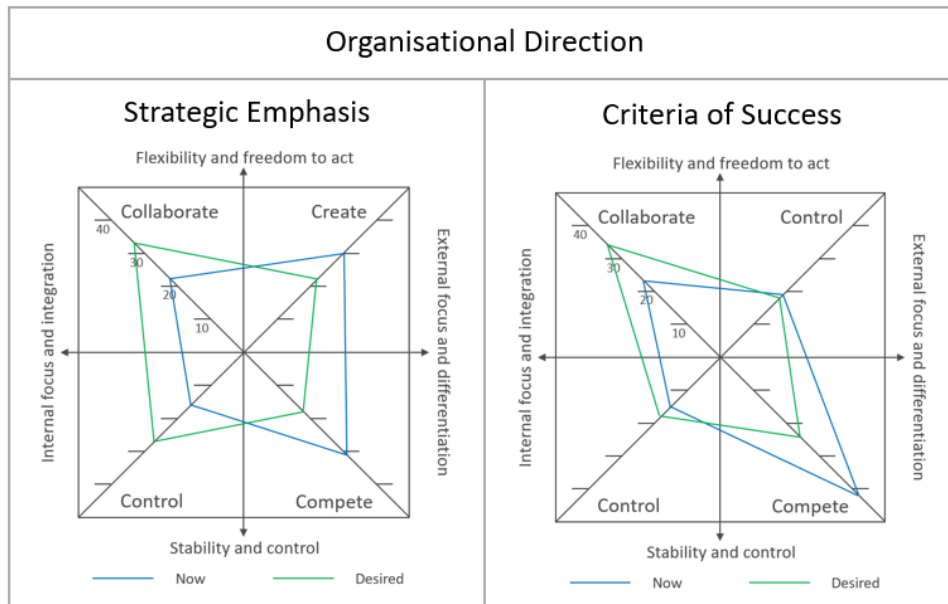
Strategic Emphasis - what areas of emphasis drives company strategy:

There is a strong strategic emphasis placed on acquiring new resources, creating new challenges and competing. Trying new things, prospecting for opportunities, hitting targets and winning are highly valued. However people in the organisation wants to see the strategic emphasis on these areas tempered and to see a greater emphasis placed on permanence, stability, human development, trust and participation.

This reflects what we saw in the overall results and heard in interviews - people want a moment to catch their breath and stabilise before <company> makes further acquisitions.

Criteria of Success - What gets rewarded:

It is very clear that employees feel that success is dominated by winning against competitors and hitting aggressive targets. Competitive leadership is key. The drop of nearly 20 points from how 'Compete' is perceived now and the desired level is drastic, and this despite the desired level still being higher than the overall company level desired for compete. This indicates that employees understand that a focus on winning is still important to the company's success but feel it is 'over-indexed' at the moment. This perception may come from how they observe rewards being given, for example how until recently, the ski trip was only available to sales people. We have heard many times over the last year, non-sales people expressing a feeling that sales are more highly recognised. It has been good to see this changing, with more recognition being given in the town halls to non-sales people and some of them attending the ski trip. However it is not yet pervasive and more could be done.

## APPENDIX C – PATH GOAL LEADERSHIP QUESTIONNAIRE

The Path-Goal Theory of Leadership is a model which proposes that, in order to best achieve a particular goal or outcome, a leader should adjust their leadership style depending on the situation. The situation would include consideration for the environment in which they are working and the individual to whom they are speaking.

Used in the context of our survey, this instrument identifies how people behave in their leadership across 4 core styles:

- A directive style; characterised by teams being given little latitude or discretion and in which targets are expressed explicitly. There is little scope for teams to question or adjust any of the objectives they have been set.
- A supportive style; in which leaders focus on the well-being and happiness of their team and aim to remove obstacles in their way. This creates a genuine sense of purpose and builds mutual trust.
- A participative style; in which leaders draw in contributions and ideas from their team members - ensuring they feel that their opinions are valued, preserving diversity of thought.
- An achievement-oriented style; where leaders give a set of delegated freedoms to their team members, to empower them to make their own decisions and strive for successful outcomes that they have authority over.

Results are plotted as shown below and are the average, drawn from across all respondents for the area of the business being examined (or the whole organisation).

We use these results to give an indication of any dominant leadership style and differences in perception between different departments and leadership which could present as issues. We also look at the level of congruence between the strength of these leadership styles and those that are most suited to the desired culture in the organisation (from OCAI) – having these aligned will help accelerate any desired change in culture.
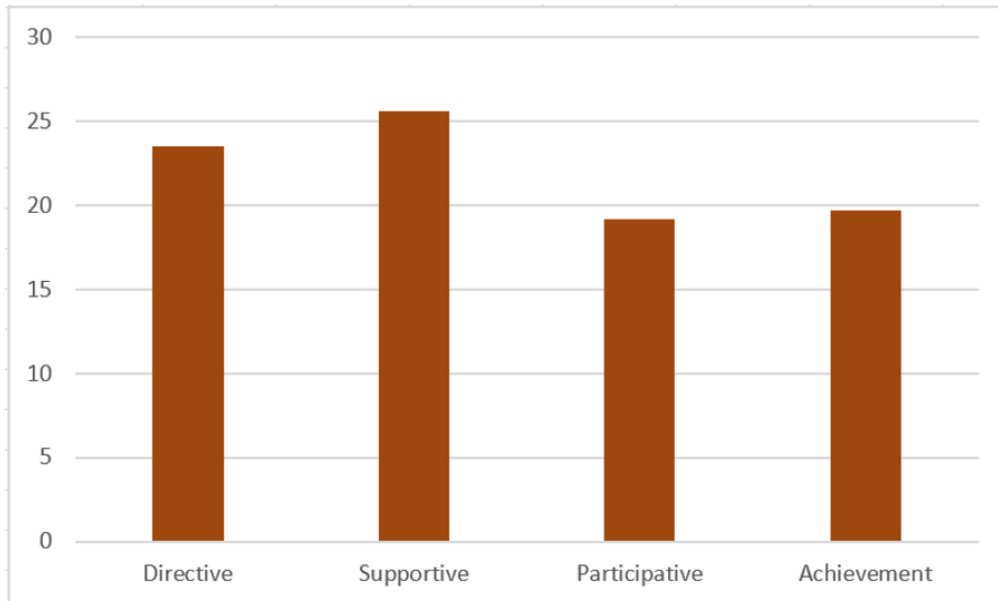
APPENDIX D – OCAI CONGRUENCE ACROSS DEPARTMENTS / DIVISIONS

It is good to be aware of different desired cultures in different departments, something which is natural but for which there can also be a cost. Any time there is a difference in priority, expectation or value, this can lead to disagreements, breakdown in communication, conflict and poor performance. Research has that found the highest performing organisations have more congruent cultures across their departments.

It is important to caveat these results. Where there are small sample sizes, as in the case of some smaller teams at <company>, the results cannot be statistically substantiated, so the results should be treated as indicative only. However, smaller departments will be statistically 'drowned' in those of larger divisions and as such, it would be easy to lose sight of their different perspectives on current and future culture. Therefore showing these differences is important.

These charts show a number of departments' view of the perceived current and desired culture.

Commercial is largely representative of Operations with little divergence and, not surprisingly as the two biggest divisions, largely reflect the overall desired culture of <company>.

HR and Marketing consider the current Collaborate culture to be 6 to 7 points stronger than that perceived by other departments which is not insignificant and worth exploring further. HR and Marketing also feel that the dominant culture is Collaborate where the others have this as Compete.

There is a noticeable difference in how Marketing perceive the Control culture, scoring this 3 points below HR and as much as 7 lower than the highest scoring, Finance department.
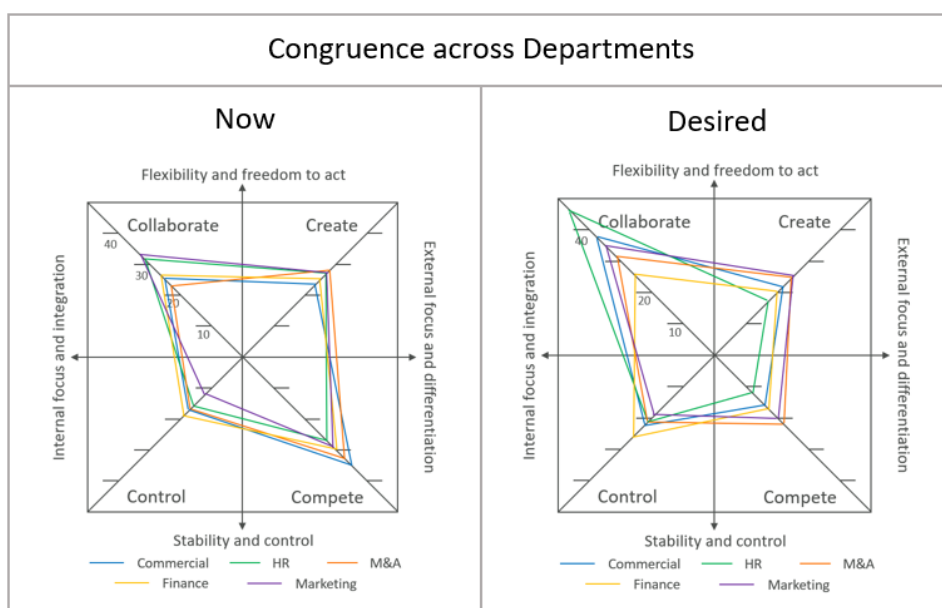
Paying attention to differences in desired culture is important as it indicates an incongruence in what different parts of the business believe are desired organisational priority focuses in order to execute at their best.

Unsurprisingly HR desire a dominant culture which is all about the people inside the business (Collaborate) – they will inherently tend to place a priority on people! However they have a very low Compete score which will therefore have potential for conflict with any departments with a greater focus on cultures such as Compete, for example Leadership - Leadership have a balanced view and recognise the importance of paying attention to the market, the competitors etc. Finance put a greater emphasis on Control, placing as equal dominance to Collaborate – this higher desire for Control is to be expected.

It is interesting to see Marketing and M&A place a Create culture as the most desired culture. We have greater insight on the M&A function and suspect this is reflective of the need to be agile and responsive to the acquisition opportunities and integrating them quickly and efficiently into the business. Against this, it is notable that HR score 'Create' some 10 points lower than M&A, given they might be handling some aspects of integrating acquired employees into the organisation.

APPENDIX E – INTERVIEW FEEDBACK

Where possible we try and interview 5-10% of the organisation, ranging across both different departments and roles. In the case of <company>, we invited 30 people to participate, of which we successfully interviewed 19 people in the time available which is 5% of those surveyed.

From the majority of the 19 interviews held, it is clear that this fast-paced and rapidly growing business has a family feel with a real emphasis towards staff doing 'the right thing' for both staff and customer. This culture appears to be nurtured from the top down through practices like the nine-day fortnight and clear messages about getting work done well rather than clock-watching. <company> Fest and Frost were universally popular and seen as an opportunity to both de-stress and connect with others across this geographically dispersed workforce.

Values and Purpose

Those interviewed were consistent in their understanding of the grand vision of <company> - to be a 'thriving' organisation which aims to be the 'best in class' as well as growing rapidly and making a profit. Additionally, <company> was seen as currently being an organisation which balanced being 'aspirational' with 'doing the right thing' towards both staff and customers. Some staff were pleasantly surprised that such a large, fast-growing company could achieve this balance and felt that it made the company a more attractive place to work. Others were yet to see this ambition as being fully realised but felt that <company> was certainly working towards this, for example in terms of creating a good work-life balance.

Several staff would now like to have a medium and long-term vision for <company>; at present they feel that the company is so focused on growth that there is a lack of a clear vision and company aim for the future.

Leadership

There is glowing praise for many of <company>'s leaders including Paz and Mark, Amet, Daniel Islands, Meg Smith and Jenny Clarke, Jess Booth and Nicky. Leaders at all levels were valued for getting 'stuck in', being 'collaborative' and 'approachable' but also acting as strong mentors, focused on 'finding opportunities for people to grow'.

Although leaders getting 'stuck in' and going to great efforts to help others out has received praise, it is wondered however whether staff getting 'stuck in' too frequently reflects a wider culture of a lack of empowerment which has been detected across <company>. It is recommended to develop the coaching skills of leaders to encourage thinking and development amongst all staff rather than doing others' work for them.

All leaders were praised for trying to do the 'right thing' for both customers and staff. Additionally, a sense of the company's values of 'family first' and being committed to both staff and customers was evident in most interviews.

Almost all those interviewed stated that they would feel comfortable in approaching their line manager if they had made a mistake; there is a strong sentiment that they 'have their backs' and see mistakes as an important part of the learning process.

Although many described their leaders within <company> as being open to challenge, there were those who did not feel able to speak up.

Matt was universally described as being 'charismatic', a 'real character' who people listen to and respect for his lack of 'bullshit'. Indeed, Matt was described as 'being <company>' itself. There was concern that Matt's focus on driving and growing the company meant that he could be 'dictatorial' at times and not listen to others' opinions as much as they would like; he would then miss out on the granular detail of what they are telling him and it was felt therefore that his decisions were often not as wise as they could have been. Some of those interviewed offered an alternative view of Matt which is of a person who accepts challenge but that you need to push through initial resistance and abruptness.

Rewards and Benefits

The Town Hall meets are universally popular and the 'shout outs' for excellent work from staff were prized. In normal day-to-day work, those interviewed were also grateful for simple efforts to praise good work with 'thank-you's' being cited as most welcome whilst costing nothing.

Rewards for outstanding performance such as ski trips were highly prized amongst those who 'won' a trip and also those who aspired to be selected in future. Efforts to include non-sales staff in those eligible were universally popular as they help all staff members to feel included and valued however there seem to still be some areas who aren't aware of, for example, the ski trip. Several staff members who were new to <company> through acquisitions were frustrated that, as the systems used from their original company to measure performance were not yet aligned, their team members were unable to be eligible for such a reward, despite many significant achievements.

<company>fest and <company>frost were highly praised across the board; they offered a much-needed opportunity for people to connect and have fun.Whilst recommending that these events are kept, it is suggested that middle management have more resources at their disposal to reward their staff as they see fit; for example those which help foster positive connections such as team building days, meals out etc. It is wondered whether the current lack of empowering staff to make decisions in general is also reflected in the inability of those in middle management to choose their own rewards for staff. A change would allow for quick wins and recognition of the team's work.

Decision-Making and Authority

It is felt that the 'tight control' on decision-making modeled by Matt is reflected throughout the company; a perceived lack of freedom to make decisions was a recurring theme during interviews. Many expressed frustration and feeling 'stifled' at not being able to seize the initiative to make quick wins for the benefit of the business. Some felt however that freedom to make decisions is growing, but at a rather slow pace. It is recommended that boundaries (including budgets) are formulated which give workers clear guidance as to what they can and cannot do. Training opportunities should also include sessions on empowerment which can open discussions on how to change the culture across the organisation.

Workload and Stress

All staff described <company> as being an 'ambitious' and a 'hungry' organisation focused on rapid growth. Despite it being 'chaotic' and 'hard work', most staff felt that they were treated well with people supporting each other and being 'committed' to their team and organisation. The tenth day of the nine-day fortnight was universally seen as an excellent way to destress although we also heard of many on the engineering side stating that it wasn't realistic, given the current workload – they like the intent but it's not practical.

Whilst it was noted that whilst some of the companies recently acquired by <company> shared a similar culture and work ethic, it is of concern that some of the newer members of staff, brought in through acquisitions do not feel that they have been prepared for such a change in pace and expectations.

Feelings of not being able to cope and citing working for <company> as 'exhausting' and 'demoralising' were brought up by several newer members of <company>.

Calls from the Senior Management Team, including Matt, to those who stated in online surveys that they were struggling were universally appreciated. They were noted as having a 'huge impact' and made people feel valued. Empowering middle managers to work with staff on stress management, whilst keeping the SMT involved in communicating with staff, would help devolve the power to lead this hugely important issue.

Several statements along the lines of 'the business is growing faster than people are developing' were heard and underline the importance of both upskilling staff to be able to deal with future challenges and also hiring more staff to ease the burden. Several staff noted that they are unsure at how long they will be able to physically and mentally keep up with the fast pace of <company>'s growth.

New Staff

Whilst most new staff expected a period of uncertainty and turbulence with regard to their roles post-acquisition, many non-sales staff spoke of their frustrations about the lack of clarity over their roles which often remained more than six months later.

It was noted that it can be 'daunting' when being acquired by <company>; not only as people may not have been expecting the change but because they hear that working for the company is a 'thrashing'. Many of those interviewed felt that Matt's vision of creating a company which 'welcomes others' was being realised; people across the board would go out of their way to welcome and integrate new people. Simple measures such as new staff being taken out to lunch to put them at ease and let them connect with other staff members were valued. Although there appears to be much informal mentoring taking place across the organisation, which is highly valued, a more formal mentoring system and training for potential mentors could be considered.

In terms of processes, once a company is acquired, the initial period was described as being 'chaotic' as the company moved to 'the <company>' way of working with often limited guidance in how to do so. It has been recommended to initially have a <company> representative placed with the new team full-time to help smooth the transition and also to act as a conduit for two-way communications.

The challenges of acquiring new companies abroad was also discussed. There was some confusion when acquiring workers from South Africa with regards the technicalities of the nine-day fortnight and private healthcare.

Communications

Those interviewed have stated that communications across the organisation are notably improving; from company-wide Town Halls to departmental or team meetings, to emails updating people of news. Some staff noted however that they were often too busy to attend important meetings which could prevent the relay of messages.

Conflict

Very few (less than 5%) of those interviewed had experienced conflict amongst staff in <company>. Relationships between all staff were generally described as 'great' and people were 'open' with each other. Whilst this is to be celebrated, it was also brought up that hybrid working can prevent people communicating well with each other, which in turn could leave them reluctant to even bring up difficult subjects which are of importance.

Performance

Regular feedback with regards performance was welcomed as a useful tool. Many of those interviewed noted that they were frustrated by a lack of a formal appraisal process and also the lack of KPIs for their role. They therefore can't measure their performance which they find frustrating. Wider suggestions to stop, take stock of where everyone in the company is and then plan for the future are linked with people's desire to have clear KPIs and an appraisal process.

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