



Cultural Compatibility Assessment

Harper - Anderson

**Prepared
by:**

Cultural Transformation Tools

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EXPLANATION OF MODELS

The Corporate Culture Assessment instrument is a simple but effective means of measuring and mapping corporate cultures. It provides a comprehensive diagnostic of the current culture and a detailed understanding of the desired culture by examining employees' perceptions of the organisation's current values, what they consider to be desired values and their personal values. The results provide three perspectives:

- Human Perspective,
- Organisational Development Perspective, and
- Business Perspective

The Human Perspective and Organisational Development Perspective are obtained by mapping employees' personal values against the model of the Seven Levels of Personal Consciousness, and their perception of the current culture's values and desired culture's values against the Seven Levels of Organisational Consciousness.

The model of the Seven Levels of Personal and Organisational Consciousness was created by Richard Barrett and is described in his book "*Liberating the Corporate Soul: Building a Visionary Organisation.*" It represents an extension of the work of Abraham Maslow. The fundamental basis of the Seven Levels of Organisational Consciousness is that organisations are comprised of individuals, and act as living entities with similar motivations to those of individuals.

The Business Perspective is obtained by mapping the organisation's current culture values and desired culture values against the Business Needs Scorecard. The model of the Business Needs Scorecard was created by Richard Barrett and is described in his aforementioned book. The original concept of the Balanced Scorecard was invented by Kaplan and Norton to give companies a balanced way of measuring performance. It is usually used as a strategic planning tool. In the Corporate Culture Assessment, it is used as a diagnostic tool to identify where the organisation is currently focussing its energies, and where the people would like the company to focus.

The six categories of the Business Needs Scorecard are:

- Finance – Economic Health, Financial Growth
- Fitness – Systems and Processes
- Client Relations – Customer Satisfaction and Strategic Alliances
- Evolution – Research and Development, New Products and Services
- Culture – Employee Fulfilment and Human Resources
- Society Contribution - Social and/or Environmental Responsibility

THE SEVEN LEVELS OF CONSCIOUSNESS

Service

Making a Difference

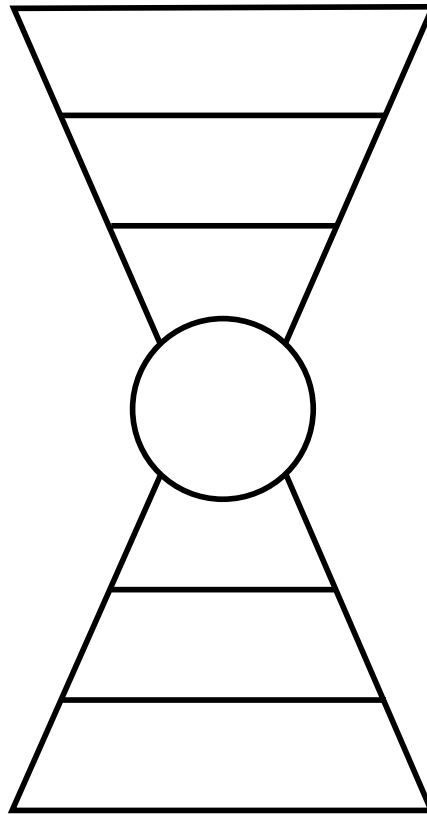
Internal Cohesion

Transformation

Self-Esteem

Relationships

Survival



Distribution of Consciousness

Individuals and organisations do not operate from any one single level of consciousness. They tend to be clustered around three or four levels. Individuals are usually focussed at levels 1 through 5, usually with a particular emphasis at level 5. Many organisations tend to be focussed in the first three levels of consciousness – Level 1: profit and growth, Level 2: customer satisfaction, and Level 3: productivity, efficiency and quality. The most successful organisations are distributed across the full spectrum of consciousness. They give emphasis to the top four levels of consciousness as well as the bottom three – Level 4: learning and innovation leading to continuous renewal, Level 5: internal cohesion, Level 6: employee fulfilment, customer/supplier collaboration, and Level 7: ethics and social responsibility.

SEVEN LEVELS OF PERSONAL CONSCIOUSNESS

Level 1: Survival – This level focuses on matters to do with physical survival. It includes values such as financial stability, wealth, safety, self-discipline and health. The potentially limiting aspects of this level are generated from fears around survival. Limiting values include greed, control and caution.

Level 2: Relationships – This level concerns the quality of interpersonal relationships in an individual's life. It includes values such as open communication, family, friendship, conflict resolution and respect. The potentially limiting aspects of this level result from fears around loss of control or regard. Limiting values include rivalry, intolerance and being liked.

Level 3: Self-Esteem – This level addresses an individual's need for recognition. It includes such values as being the best, ambition, professional growth and reward. The potentially limiting aspects of this level results from low self-esteem and being out of control. Potentially limiting values include status, arrogance and image.

- There are no potentially limiting values in levels 4 through 7.

Level 4: Transformation – The focus at this level is on self-actualisation and personal growth. It contains values such as courage, responsibility, continuous learning and independence. This is the level where people work to overcome their fears. It requires continuous questioning of beliefs and assumptions. It is also the level where they begin to find balance in their lives.

Level 5: Internal Cohesion - Level 5 concerns the individual's search for meaning. Individuals operating at this level no longer think in terms of a job or career, but in terms of a mission. This level contains values such as commitment, creativity, enthusiasm, humour/fun, generosity and honesty.

Level 6: Making a Difference - Level 6 focuses on making a difference in the world. It is also the level of active involvement in the local community. Individuals operating at this level honour intuition and contribution. They may be concerned about the environment or local issues. This level contains values such as counselling, community work, empathy and environmental awareness.

Level 7: Service - Level 7 reflects the highest order of internal and external connectedness. It focuses on service to others. Individuals operating at this level are at ease with uncertainty. They display wisdom, compassion and forgiveness. They are concerned about issues such as social justice, human rights and future generations.

SEVEN LEVELS OF ORGANISATIONAL CONSCIOUSNESS

Level 1: Survival - Level 1 focuses on financial matters and organisational growth. It includes values such as profit, shareholder value, employee health and safety. The potentially limiting aspects of this level are generated from fears about survival. They include such values as control, short-term focus, caution and exploitation.

Level 2: Relationships – This level addresses the quality of interpersonal relationships between employees and customers/suppliers. It includes values such as open communication, conflict resolution, customer satisfaction and respect. The potentially limiting aspects of this level arise from fears around loss of control or personal regard. This leads to manipulation, blame and internal competition.

Level 3: Self-Esteem – This level concerns best business practices and systems and processes that improve work methods and the delivery of services and products. Values at this level include productivity, efficiency, professional growth, skills development and quality. The potentially limiting aspects of this level result from systems problems and/or being out of control. Potentially limiting values include long hours, arrogance, bureaucracy and complacency.

- There are no potentially limiting aspects to levels 4 through 7.

Level 4: Transformation - Level 4 focuses on continuous renewal and the development of new products and services. It contains values that overcome the potentially limiting values of levels 1 to 3. Values at this level include accountability, employee participation, continuous improvement, innovation, teamwork, personal development and information sharing.

- Levels 5, 6 and 7 represent increasing degrees of connectedness within the organisation.

Level 5: Internal Cohesion - Level 5 focuses on building internal cohesion and a sense of community spirit inside the organisation. It includes values such as trust, integrity, honesty, shared values, cooperation, commitment and fairness. The by-products are enjoyment, enthusiasm, passion, dedication and creativity.

- In addition to focussing on internal connectedness, Levels 6 and 7 focus on external connectedness.

Level 6: Making a Difference - Level 6 focuses on deepening and strengthening of relationships and employee fulfilment. Inside the organisation, it includes values such as leadership development, mentoring, coaching and employee fulfilment. Externally, it includes values such as customer collaboration, partnering, strategic alliances, community involvement, environmental awareness and making a difference.

Level 7: Service - Level 7 reflects the highest order of internal and external connectedness. Inside the organisation, it includes values such as vision, forgiveness and compassion. Externally it includes values such as human rights, ethics and future generations.

BUSINESS NEEDS SCORECARD

The first three categories of the Balanced Need Scorecard cover the areas of business that an organisation traditionally measures. They represent the “hard stuff” – the frontline needs. They are relatively easy to measure. They are called the tangibles. Every business needs to pay attention to these areas in order to survive.

Corporate Finance: This category addresses financial and/or organisational growth indicators. Measurement focuses on items such as capital formation, profit, return on assets, shareholder value and cash reserves.

Client Relations: The focus of this category is on relationships with outside stakeholders who are directly involved with the products or services. Indicators in this category include issues related to market share, brand loyalty, customer satisfaction, and customer and supplier collaboration.

Corporate Fitness: This category focuses on internal systems and process issues such as speed, cycle time, quality, time to market, productivity, and efficiency. Reengineering and quality-based programmes are often used to improve performance in these areas.

The next three categories represent the “soft stuff.” These are the areas that support the front-line needs. In the 21st century, the “soft stuff” is destined to become the principal arena for determining competitive advantage. They are less easy to measure. They are called the intangibles.

Corporate Evolution: The focus of this category is developing future income streams. Performance is measured by actions that create new products and services, or adapting existing products to new or changing markets. Indicators include items that relate to research and development, proportion of income from new innovations and ideas generated.

Corporate Culture: This category looks at issues related to building a strong sense of organisational identity and internal community spirit. Performance indicators include factors such as employee fulfilment, leadership development, vision, mission, and values alignment.

Society/Community Contribution: This category concerns issues relative to social and/or environmental responsibility. Performance indicators could include the number of volunteer hours worked by employees for the local community, the impact of corporate philanthropy programmes and/or environmental stewardship.

HARPER - ANDERSON

Key Findings

PERSONAL VALUES

Values Matches

- The following are the values that the people in both companies share. These are the qualities that connect people in mutual understanding and support.

HARPER - ANDERSON
Accountability Adaptability Commitment Continuous improvement Co-operation Honesty Reliability Responsibility

- There are a remarkably high number of values matches between these two groups. The values of **commitment**, **responsibility**, **co-operation** and **honesty** scored as the top four values in both cases. This shows that the people, regardless of their company, have the same operating principles and motivations as each other in their personal lives.

Values Differences

As in the relationship between two people, differences can either bring expanded awareness to one another, or support in those areas where one person is less proficient. It is important to remember that the values that a person or group have which are different than the other does not mean that the latter does not live or appreciate them. The values that are chosen are those that play particular importance in their lives at this point in time. These differences need to be acknowledged and nurtured for an optimal relationship.

- These are the values that are different for each group:

HARPER	ANDERSON
Achievement Family	Efficiency Friendship

Values Balance - *There are four types of values: 1) "I" Individual - values that are expressed from within the person (honesty, integrity). 2) "R" Relationship - values that are demonstrated in terms of connecting with others (trust, accountability, respect). 3) "S" Societal - values that focus on the common good outside of the home (community involvement, environmental protection, social justice). The IRS index shows the distribution of these values types. This index reflects where the focus of the people lies and their degree of balance.*

- The IRS index for both groups is exact (IRS 6-4-0) showing excellent compatibility. These are people with a good number of "relationship" type values, showing that they are people persons.

Values Distribution (Values Histogram & CTS Index)

- The Values Distribution diagram shows almost identical percentages across the seven levels, which indicates that both groups of people are living from the same levels of consciousness.

CURRENT CULTURE VALUES

The Current Culture Values reflect the employees' perceptions of what their organisation focuses on and how it behaves. These values provide a picture of the working environment, the positive aspects of the business, and its potential problem areas. These are a description of what the situation is between these two banks at this point in time.

Values Matches

- The following are the values that both the Harper and Anderson cultures presently have in common.

HARPER - ANDERSON
Accountability Commitment Continuous improvement Co-operation Cost reduction Customer satisfaction Information sharing Quality

- Eight values matches show a strong degree of similarity between the two cultures. They both share similar coverage in levels 1-5.
- The values of **customer satisfaction**, **continuous improvement**, **cost reduction** and **co-operation** are the top values in both cases.

Values Differences

- These are the values that are different for each group:

HARPER	ANDERSON
Business orientation Customer centered	Achievement Efficiency

- Harper’s values of **business orientation** and **customer centered** reveal their drive to address the needs of their clientele.
- Anderson’s values of **achievement** and **efficiency** illustrate their commitment to meeting objectives.

Potentially Limiting Values - *Potentially limiting values are values that can cause frustration among employees and hinder the progress of the organisation if they are not dealt with in a timely manner.*

- The following table shows the entropy that each group chose for the Current Culture.

Location	Potentially Limiting Values – Current Culture	Entropy Percentage
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Harper	-	15%
Anderson	-	13%

- There were no potentially limiting values in the overall group plots for Harper or Anderson. This shows that the leadership in both companies is not fear-based in how they make their decisions or in how they manage or motivate their employees.
- The entropy in both cases needs to be lowered.

Values Balance - *There are four types of values: 1) "I" Individual - values that are expressed from within the person (honesty, integrity). 2) "R" Relationship - values that are demonstrated in terms of connecting with others (trust, accountability, teamwork). 3) "O" Organisational - values that focus on business issues (financial stability, productivity, customer satisfaction). 4) "S" Societal - values that focus on the common good outside of the business (community involvement, environmental protection, social justice). The Personal Values template does not contain any "O" Organisational values; so the index is IRS. The IROS index shows the distribution of these values. This index reflects where the focus of an organisation lies and its degree of balance.*

- The following table shows the types of values that each group chose in their Current Culture list.

Location	Current Culture Values IROS
Harper	IROS 1-2-7-0
Anderson	IROS 2-2-6-0

- The IROS index for Harper is near identical to that of Anderson. Both have stronger focus on "organisational" values than "individual" or "relationship" ones.

Values Distribution (Values Histogram & CTS index)

- This diagram shows that the overall CTS (Common Good, Transformation and Self-interest) percentages are near identical for both groups.

Business Needs Scorecard

- Neither location has any emphasis on Corporate Culture or Society/Community Contribution.

- Harper has stronger focus in the area of Client Relations, where Anderson pays more attention to Corporate Fitness.

DESIRED CULTURE VALUES

The Desired Culture Values reflect what the employees believe to be important in achieving optimum performance within their organisation. These values can show the next steps that they want their organisation to take; antidotes to current problems; and current values that need strengthening. In essence, this is a map as to what the employees want to support and see enacted within their culture.

For merging cultures, this is the indication of whether or not the people are synchronous in their beliefs and what the merging organisations need to concentrate on to assure an effective transition and long-lasting success.

Values Matches

- The following are the values that the employees in both cultures would like to see implemented.

HARPER - ANDERSON
Accountability Being the best Commitment Continuous improvement Co-operation Customer satisfaction Information sharing

- Seven values matches show a strong degree of agreement between the two cultures. This is a solid indicator of potential success for these groups, as the employees want to see most of the same values integrated into their joint system.
- The values of **customer satisfaction**, **continuous improvement** and **commitment** are at the top of both lists.
- The values of **accountability**, **commitment**, **continuous improvement**, **co-operation**, **customer satisfaction** and **information sharing** currently exist in both Current Cultures, indicating that implementation of these may not be as challenging as the other values.
- The people want connection and to work openly together as depicted by the values of **co-operation** and **information sharing**.
- The employees would demonstrate their dedication and sense of responsibility for what

they do via their **commitment** and **accountability**.

- They would strive to provide a high standard deliverable through **continuous improvement, customer satisfaction** and **being the best**.

Values Differences

- These are the values that are different for each group:

HARPER	ANDERSON
Business orientation Customer centered Employee recognition	Efficiency Leadership development Open communication

- Harper wants greater focus on systems and processes with **business orientation**. They would provide the best possible service by being **customer centered**. The efforts of their people would be appreciated through **employee recognition**.
- Anderson would like their organisation to strengthen the skills of their managers with **leadership development**. The people would connect with each other authentically and regularly in the form of **open communication**. Their systems and processes would be designed to achieve **efficiency**.

Across The Board Values Matches

Matching values between all three values lists, Personal, Current Culture and Desired Culture, indicate optimal alignment. The greater the number of matching values, the greater the sense of motivation, commitment and authenticity there is within an organisation. If a value is found across the board, then this signals a quality of particular importance.

- The following value is found in the Personal, Current Culture and Desired Culture lists for each organisation:

HARPER	ANDERSON
Accountability Commitment Co-operation	Accountability Commitment Co-operation Efficiency

- These values are of particular significance to the people in each organisation. Note that Anderson has particular attention paid to **efficiency**.

Values Balance - *There are four types of values: 1) "I" Individual - values that are expressed from within the person (honesty, integrity). 2) "R" Relationship - values that are demonstrated in terms of connecting with others (trust, accountability, teamwork). 3) "O" Organisational - values that focus on business issues (financial stability, productivity, customer satisfaction). 4) "S" Societal - values that focus on the common good outside of the business (community involvement, environmental protection, social justice). The Personal Values template does not contain any "O" Organisational values; so the index is IRS. The IROS index shows the distribution of these values types. This index reflects where the focus of an organisation lies and its degree of balance.*

- The following table shows the types of values that each group chose in their Desired Culture list.

Company	Desired Culture Values IROS
Harper	IROS 1-3-6-0
Anderson	IROS 1-4-5-0

- Both organisations want an increase in "relationship" type values compared to their Current Culture. The employees want greater connection with each other and the people with whom they come in contact.

Values Distribution (Values Histogram & CTS index)

- This diagram shows that the overall CTS (Common Good, Transformation and Self-interest) percentages are near exact for both groups.

Business Needs Scorecard Diagram

The plots of the Business Needs Scorecard show what focus the organisation has on the six categories that represent the business aspects important for long-lasting success.

- Both organisations want focus in the categories of Client Relations, Corporate Fitness, Corporate Evolution and Corporate Culture.
- There are no values in the areas of Corporate Finance and Society/Community Contribution.

CONCLUSIONS

CURRENT STRENGTHS OF HARPER AND ANDERSON

- The people in Harper and Anderson share eight of the same Personal Values. This shows exceptional similarity and implies strong potential resonance between the people in the two organisations. The people come into this merger living from the same levels of consciousness, which ultimately will enhance their connection, their understanding and appreciation of one another, if the organisations support these efforts.
- Both organisations have eight of the same values in their Current Cultures, which illustrates remarkable similarity of cultures.
- The values of **accountability, commitment, continuous improvement, co-operation, customer satisfaction** and **information sharing** are in both their Current and Desired Culture lists. This shows that the people want much of the same culture in their merged organisation.
- The values of **accountability, commitment** and **co-operation** are of particular importance to both groups in that they are found in all three values lists – Personal, Current and Desired Cultures.
- There are seven values matches between both groups' Desired Culture lists. This means that there is strong potential for future success as long as the organisations take the needed steps to support, promote and integrate the shared values into their systems and culture; and to honour and discuss the values that differ.

KEY POINTS FOR HARPER AND ANDERSON

- Both organisations want the new value of **being the best** as one of their predominant culture drivers.
- Harper wants to preserve their values of **business orientation** and **customer centered**; two values that do not appear in the Anderson Current or Desired Cultures.
- The value of **efficiency** is of particular importance to the Anderson people and therefore needs to be respected and taken into consideration when merging the two cultures.
- Harper wants a culture where **employee recognition** is a norm.
- Anderson would like to see **leadership development** programs offered. In addition to the shared values of **co-operation** and **information sharing** with Harper, Anderson wants to have a culture of **open communication**.
- There is little no coverage in the areas of Corporate Finance or Society/Community Contribution in the Desired Cultures.

RECOMMENDATIONS

- The Desired Culture list shows the shared values that can bind the two cultures together. Therefore, it is important not to assume that they mean the same things to both organisations; to find out what the people from both cultures mean specifically by each of these values both in definition and behaviours; and what the organisations need to do to promote, integrate and implement them. These values are **accountability, being the best, commitment, continuous improvement, co-operation, customer satisfaction and information sharing.**
- The value of **being the best** is a new one for both cultures. Create focus groups within each organisation to get the maximum amount of input as to the direction the people want the company to take in implanting this into their joint culture.
- Hold dialogues with people from various positions within Anderson to get a deeper and clearer understanding of what **open communication** is for them. Take action on their recommendations.
- Set up **leadership development** programs and **employee recognition** processes for the people.
- Determine how both cultures can support **efficiency** in Anderson, as it is a value that Anderson lives now and wants to continue to embrace.
- In turn, look into how Anderson can support Harper's values of **business orientation** and **customer centered.**
- Decide what efforts, if any, are needed to ensure coverage in the areas of Corporate Finance or Society/Community Contribution.
- Define a set of guiding values. Limit to 3-4 maximum. Hold discussions to determine the degree of buy-in for the proposed set of values. What values does the organisation want to espouse – what values do they want to focus on as they move forward? Once accepted, define what each of these values specifically means and what behaviours would be expected to support them. As well, determine what would sabotage these efforts.