Company XYZ Culture Alignment Study

March 2010
Report Outline

Background

Study Findings
- Current Company and Group Culture
- External Environment Character
- Individual Values
- Culture Alignment Summary

Conclusions

Study Recommendations
An integrative framework was used to guide research and analysis

The external business environment presents critical opportunities and threats that the organization must respond to.

Leadership is best thought of as a temporary condition in which certain behaviors and competencies are displayed and NOT as a formal job level.

Most companies focus their energy around “hard” factors such as strategy formation, process improvement, and organizational structure.

The current study focused on mapping external conditions, individual values, culture, and social networks.
Culture Alignment Research Program Overview

A survey was sent to all employees.

There are four parts in the survey:

- 28 questions related to **personal values**
- 33 questions related to **current company culture**
- 9 questions related to the **character of the industry**
- 5 questions related to **informal networks** in the company

A **100%** response rate is achieved.
Company Culture

- Innovative
- Challenging
- Free-spirited
- Radical change

- Results-driven
- Pragmatic
- Competitive
- Fast change

- People-oriented
- Collaborative
- Encouraging
- Lasting change

- Disciplined
- Structured
- Risk-averse
- Steady change
The Current Company Culture

Company has a very healthy and balanced culture with a dominant family-like focus on people and a pragmatic focus on results. Learning and innovation are also an important part of the culture.

Leadership style is perceived as somewhat more power-seeking, less order-seeking, and less social than the company norms.

“I like the team of Company. The relationship among people is easy.”
“It’s been a pretty long time that I have worked here, and the atmosphere is really good. It’s like a family and everyone is happy.”
Culture Differences by Division

There are important cultural differences between business divisions.

“Division 1 is a cohesive team, everyone sticks together, and the style of communication is direct.”

“Division 2 is like regular army. They are standardized and stable, and their customers are mostly working on logistics. Division 1 is like Marine. They are not stable, but innovative and flexible. Their customers are mostly sales and marketing people.”
Culture Uniqueness for High Performing Teams

There are important differences for the culture of high performing teams and others.
Personal Values
Personal Values

- Learning
- Harmony
- Social
- Order
- Power
- Safety
- Pleasure
- Achieve
- Autonomy
- Flexibility
- Cooperation
- Group Focus
- Stability
- Focus on Self
- Strength
Personal Value Descriptions

PLEASURE  The desire for fun, enjoyment, and excitement. Individuals with this drive are attuned to their instincts and are generally unrestrained and outgoing.

SAFETY  The drive for security and predictability. This value predicts the need to reduce risk and make sense of an uncertain, possibly dangerous environment.

POWER  A drive for competition, winning, recognition, control over others and the acquisition of resources that give one an advantage in life.

ORDER  A respect for existing social structures, traditions, and authority. A desire for a rational, orderly world. This value often leads to elevated self restraint and conscientiousness.

ACHIEVEMENT  A drive for results and goal accomplishment. A desire for return on investment and pragmatism. Success in life and capability are the highest forms of this value.

SOCIAL  A drive for affiliation and connection with other people. This value is often expressed through warmth, kindness, selflessness, and desire for the wellbeing those closest to us.

LEARNING  A need for self-direction, self-expression, and free thought. Often expressed through curiosity, creativity, originality, and inquisitiveness.

HARMONY  A desire for the betterment of humanity and co-existence with one’s environment. Often expressed as a mature understanding of life and a willingness to “go with the flow”
Average Personal Values of Company

Company’s top motivations center around **relating to others**, **driving for results**, and **learning**.

With these values, employees will prefer a work environment that is collaborative and social but also focused on achieving goals and being creative and flexible.

“We should have some innovations. We should not stick to the mode that was popular 3 years ago.”

“Sometimes, employees care more about the feeling of being cared and valued. We can work over time, if we feel that our works have been valued.”
Average Personal Values by Job Level

There are important differences in values across job levels.
Perception of Managers* vs. Manager Values

Managers are viewed differently than their personal values might indicate.

* Perception of management style is derived from the Leadership sub-scale of the current culture questions
Value Uniqueness of High Performing Individuals

There are important differences between the value of high performing individuals defined by the leadership team and other employees in the company.
External Environment
External Business Environment

- Complex
- Rapidly changing
- Volatile

- Risky
- Price sensitive
- Scarce resources

- Few threats
- Resource rich
- Little competition

- Slow change
- Few variables
- Repetition
The industry is perceived to be **highly uncertain** with rapidly changing conditions, unknown competitor positioning, unpredictable industry structure, and regulatory shifts. This highlights the critical importance of external focus, adaptability and innovation.

"Growth of the cake is fast. We don’t have to steal business from others. Competition is not the biggest concern."

"Not rationalized behavior of clients in this industry. What we do is not really a well predefined industry."

"There are many uncertainties in the industry, many new terms are emerging and regulations are changeable."
Culture Alignment Summary
Culture Alignment

Key Factors:
- Environmental conditions
- Strategic priorities
- Employee values
- Current culture
EXTERNAL BUSINESS ENVIRONMENT

- High degree of uncertainty and change in the environment requires greater flexibility and innovation
- A newly forming industry will require greater adaptability
- Price pressures indicate some degree of competitive challenge
- Need to take an innovative market leadership position
- Need to stay head of price pressures and competition
- Need for more experienced, capable workforce

The current environment is uncertain and rapidly changing.

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Company’s dominant values are SOCIAL, ACHIEVEMENT and LEARNING. These values can be interpreted as the PREFERRED CULTURE of employees.

Employees will prefer a work environment that is collaborative, focused on achieving results, innovative, and flexible.

There are important differences in values of leaders, managers and employees.
The current culture is very healthy and balanced with a family-like focus on people and a pragmatic focus on results.

For the industry it's in, the level of learning-orientation is relatively high.

The current culture is very similar to the kind of culture that employees would like to have.

Important cultural differences exist between functions and business divisions.

The current climate is very positive within Company.
Culture alignment is very good in Company today with the current culture profile addressing opportunities and challenges form both within and outside the organization.

The one organizational change that could have the single greatest positive impact on the organization would be an increase in learning, seeking orientation.

Addressing and managing differences in functional and divisional sub-cultures will be important.

A greater alignment of leadership style would also help to strengthen the culture.
Study recommendations

Large scale engagement programs that give employees the opportunities to collaboratively build a company that will be innovative and caring.

Employee recognition programs that encourage employees to acknowledge others who are exhibiting desired culture behaviors.

Employee learning and development that emerges from within and fosters a more collaborative, innovative, challenging culture and increased external, market focus.

More training and job rotation opportunities to improve effectiveness of the works of both Commercial and Operation function.

Leadership development geared toward examining and shifting leadership style in support of the I Can culture and increased capacity for innovation, risk-taking, and teamwork with feedback loops in place.

Introduce 2-way communication channels to support more decentralized information sharing and cross-functional collaboration. This will strengthen the existing culture and help to bridge differences in departmental “sub-cultures”

Refine hiring practices, promotions, and talent stream management to support the desired company culture and employee profile. Customization of new employee selection tools, promotion evaluations, and individual and group performance measures should reinforce the desired organizational behaviors and send clear messages around what the future organization will be like.

Evaluate and adjust Key Performance Indicators for the organization with the goal of emphasizing customer-focused and creative outcomes and reducing internal conflicts between goals.
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