Barrett Values Centre

Cultural Evolution Report

Example

Prepared by
Barrett Values Centre

CONTENTS

The Cultural Evolution Report presents leaders with a detailed analysis of the cultural shifts that have occurred in their organisation in the two time periods under consideration. The report also examines how the organisation's culture might change to improve performance. *Note, the same values templates were used for each year being examined.*
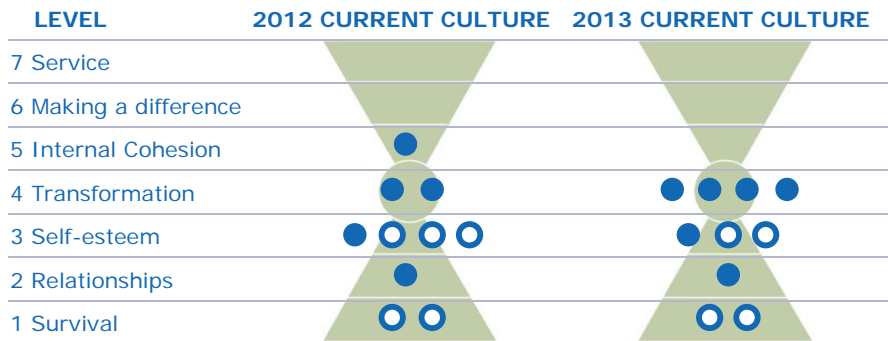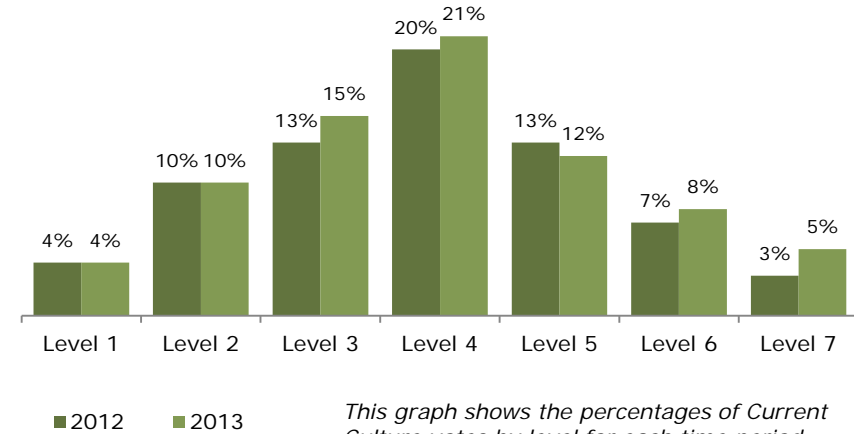
Section 1: Executive Overview

CURRENT CULTURE VALUES

LEVEL	2012 CURRENT CULTURE	2013 CURRENT CULTURE
7 Service		
6 Making a difference		
5 Internal Cohesion		
4 Transformation		
3 Self-esteem		
2 Relationships		
1 Survival		

The distribution of top Current Culture values shows the primary areas of focus which shape the organisational culture in each time period.

DISTRIBUTION OF POSITIVE VALUES

- Level 1: 4% / 4%
- Level 2: 10% / 10%
- Level 3: 13% / 15%
- Level 4: 20% / 21%
- Level 5: 13% / 12%
- Level 6: 7% / 8%
- Level 7: 3% / 5%

■ 2012 ■ 2013

This graph shows the percentages of Current Culture votes by level for each time period.

CULTURAL ENTROPY

- 2012: 30%
- 2013: 25%

Cultural Entropy Percentage
Cultural entropy is the percentage of potentially limiting values in the Current Culture.

■ Healthy
■ Needs monitoring
■ Requiring attention
■ Crisis situation

Cultural Entropy Reduction Scale
With targeted initiatives, expect cultural entropy to decrease at these rates*:

Cultural Entropy	Reduction average
10% or less	1% / year
11-20%	2% / year
21-30%	4% / year
31%+	6% / year or more

VALUES MATCHES

Personal vs. Current Culture

- 2012: 2
- 2013: 1

Current vs. Desired Culture

- 2012: 4
- 2013: 4

PV/CC Matches
The degree of personal connection people feel with the organisation.

■ Strong feeling of connection
■ Some feeling of connection
■ Little to no feeling of connection

CC/DC Matches
The level of confidence participants have in the organisational direction.

■ Strong healthy culture
■ On the right track
■ Changes in direction requested
■ Significant changes requested

Overview of Similarities and Shifts

This diagram shows the similarities and shifts that have occurred in the top values across the two time periods, highlighting the values that have remained the same, those which have newly emerged, and those which have lessened in significance.

PERSONAL VALUES	CURRENT CULTURE VALUES	DESIRED CULTURE VALUES

CONSISTENT VALUES FOR BOTH TIME PERIODS

honesty	cost reduction(L)	accountability
accountability	customer satisfaction	honesty
commitment	productivity	customer satisfaction
respect	accountability	career development
responsibility	teamwork	teamwork
trustworthy	confusion(L)	commitment
positive attitude	inconsistent(L)	job security
performance	job insecurity(L)	continuous improvement
caring		leadership effectiveness

NO LONGER AMONG TOP VALUES

integrity	commitment	information sharing
	information withholding(L)	

NEW VALUES

family	goals orientation	approachable
	continuous improvement	

VALUES TYPES COMPARISON

IRS: Personal Values are classified as Individual, Relationship or Societal. IROS: Cultural Values include the Organisational type. P= Positive L= Potentially Limiting

IRS	2012	2013	IROS	2012	2013	IROS	2012	2013
(P)	6-4-0	5-5-0	(P)	1-2-2-0	0-2-4-0	(P)	2-2-6-0	2-3-5-0
(L)	0-0-0	0-0-0	(L)	1-1-3-0	1-0-3-0	(L)	0-0-0-0	0-0-0-0

EVOLUTION OF EXAMPLE: 2012 & 2013

The value 'continuous improvement' which was a desired value in 2012 now appears as a top value for 2013; people see more focus on developing the business for the future. This group also sees focus on 'goals orientation', which is a new top current culture value for 2013.

Cultural entropy has decreased to 25% from 30%.

The value 'information withholding' has dropped out of the top values, with 'information sharing' now appearing at number 20 on the list for 2013. This indicates that positive efforts have been made to improve the way people cooperate across the group.

Cultural entropy has decreased across each of Levels 1-3, indicating that people see progress in addressing issues in respect of financial health, how people connect with one another and in respect of performance, systems and processes.

The level of reduction is slightly better than we may have expected to see in one year, and indicates that positive steps have been taken to address cultural problems.

The Business Needs Scorecard shows attention to the area of Evolution and positive focus in the Culture area of Direction/ Communication, which was not apparent in 2012.

New Directions Sought

People want greater focus on 'commitment' in the future. This sense of dedication that they previously experienced at work, is less visible in 2013. As this is a personal value of this group it makes it even more important to see what steps can be taken to rectify this. This group also wants to be more 'approachable'. Find out what this means to people- is it from a customer perspective or is this something employees want more focus on internally?

The value 'accountability', remains the top values jump and desired value in both time periods, but the call for this is stronger than before.

The biggest shift in focus is requested at Level 5- Internal Cohesion, which speaks to the group's desire to build a more supportive sense of internal community. This mirrors the shift requested in 2012 which is yet to be fulfilled.

In terms of values types, people seek stronger positive focus on individual qualities, how people relate to one another and on business needs than they see at present.

Newly Emerging Issues

Of all the potentially limiting values chosen by participants, only 'confusion' sees an increase in focus in 2013. Across all other potentially limiting values people see a similar level or a reduced impact, indicating that largely, across the board, improvements are starting to be felt. However, this lack of clear direction is being experienced more than before and needs to be addressed.

CONSISTENT ATTRIBUTES OF EXAMPLE: 2012 & 2013

Strengths Maintained

The group continues to focus on looking after their customers. They work together and take ownership of their actions, with a focus on output.

The positive values remain most focused at Level 4 Transformation, indicating attention is given to employee participation, renewal and development.

From the number of matches between the top values in the Current and Desired Culture we can see that people continue to believe the group is on the right track but see the benefits of change.

Unfulfilled Requests

Employees continue to ask for the following values in their Desired Culture that do not appear in the Current Culture:

honesty
career development
commitment
job security
leadership effectiveness

Of these unfulfilled requests the following are also personal values of the participants:

honesty

commitment

The value 'commitment' was a top Current Culture value in 2012 and no longer appears in the top values for 2013.

Ongoing Issues

People continue to experience a lack of clear direction and dependability. They fear for their jobs and see an over-emphasis on reducing expenditure.

There remain no top positive values at Level 1- Survival, Level 5- Internal Cohesion, Level 6- Making a Difference and Level 7- Service. These levels concern a business' focus on financial health, building a sense of internal community, building collaborative internal and external relationships and promoting the greater good.

In the Business Needs Scorecard there are no positive values in both time periods in the areas of Finance and Societal Contribution.

Key Proposals

Based upon your results, the following insights and questions may help guide the future direction and success of your organisation.

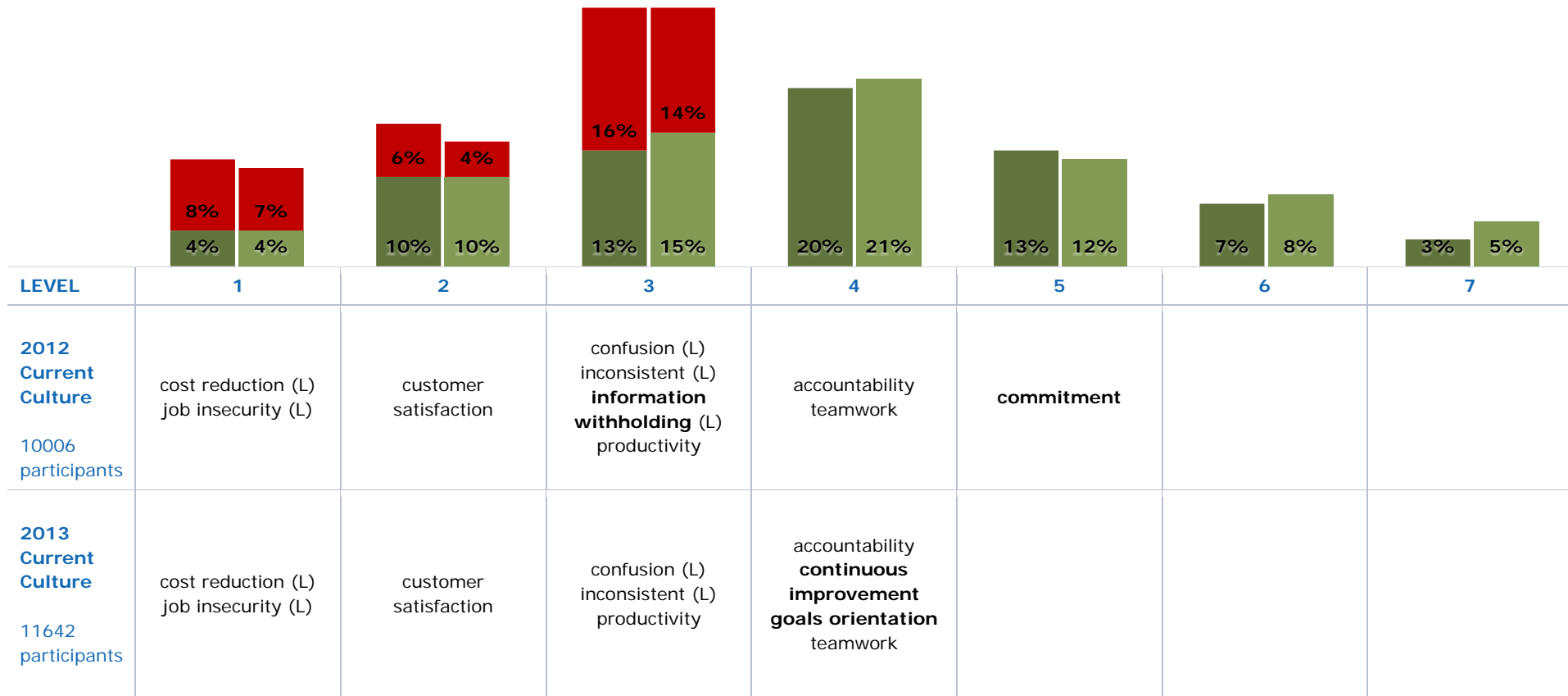| RECOMMENDATION	COMMENTS
The cultural entropy (25%) needs to be reduced.	Good strides have been made from 2012. How can you maintain the momentum already seen moving forwards?
Pay particular attention to any Personal Values that are being asked for in the Desired Culture.	• honesty • accountability • commitment These values are all on-going requests from participants.
Investigate the on-going requests in the Desired Culture. What is preventing these values from living fully within your organisation?	How might you mirror the work you undertook to encourage a culture which supports 'continuous improvement' to show greater support for the ongoing unsatisfied values.
Examine the new values requested in the Desired Culture.	Find out what the values 'approachable' and 'commitment' mean to the employees to see how these might be brought to the fore.
Look at the values gaps in the Current Culture. *Do these signify a weakness in the organisation? Is there a strong call for values at this level within the Desired Culture? Is there a concentration of personal values associated with this level?*	Level 1 - Survival Level 5 - Internal Cohesion Level 6 - Making a difference Level 7 - Service *How can employees help satisfy this request?*
In the Business Needs Scorecard, there are no values in both the Current and Desired Culture for the category of Societal Contribution. Discuss the current situation for such areas and what next steps are needed to strengthen these categories.	Consider the importance of these areas in the light of other requests.

Section 2: Evolution of the Current Culture

This graph shows the percentages of Current Culture votes by level for each time period. Note shifts and similarities between the two time periods.

■ 2012 Current Culture
■ 2013 Current Culture
■ Cultural Entropy

LEVEL	1	2	3	4	5	6	7
2012 Current Culture 10006 participants	cost reduction (L) job insecurity (L)	customer satisfaction	confusion (L) inconsistent (L) **information withholding** (L) productivity	accountability teamwork	**commitment**		
2013 Current Culture 11642 participants	cost reduction (L) job insecurity (L)	customer satisfaction	confusion (L) inconsistent (L) productivity	accountability **continuous improvement** **goals orientation** teamwork			

Values listed in the table above are top Current Culture values for each time period.
***Bold** values show differences from one time period to the next.*

KEY SHIFTS

Top Values

The top values 'commitment' and 'information withholding' have been replaced in 2013 by 'goals orientation' and 'continuous improvement'. This indicates that the dedication and problems around openness are no longer as prevalent in the culture, and instead people experience a focus on setting objectives and developing business practices.

Values Types

In 2013 people see more focus on positive business needs than in 2012. In addition the top relationship type values now selected are all positive.

Levels

With 'commitment' no longer appearing as a top value, the focus at Level 5- Internal Cohesion appears to have dropped slightly (13% of overall values in 2012, down to 12% in 2013). However, people see much more consensus around the positive focus at Level 4- Transformation indicating that they experience more focus on employee participation and ongoing improvement than in the past.

The negative focus at Level 3- Self Esteem has reduced and is accompanied by a similar shift to more positive focus at this level. This indicates that some of the problems affecting systems, processes and performance may have been improved.

Entropy

Cultural entropy has reduced by 5% which is an above average positive shift in the time period and indicates that the work done in transforming the culture is starting to pay off.

KEY SIMILARITIES

Top Values

Eight of the top values people currently experience in 2013 are consistent from 2012. People continue to take ownership and work together to produce high levels of output and serve customers. However, there are still issues around dependability and clarity, with employees seeing an over-emphasis on cost control and fearing for their jobs.

Values Types

The key problems that people experience remain in respect of some of the 'organisational' aspects of the business.

STRENGTH INDEX

*The Strength Index shows the percentage of total votes submitted for the top values. The greater this percentage, the more agreement there is about the Current Culture. ***

2012	2013
25.5%	25.3%

Evolution of the Top 20 Current Culture Values

This chart shows the top 20 Current Culture values for each time period, noting shifts in focus. Consider any initiatives or changes, internally or externally, that have affected these shifts. When multiple values have the same number of votes, this may result in more or less than 20 values being shown in the tables. **Blue** *= New value latest time period.* **Purple** *= Value no longer in top 20.* **Votes** *= Percentage of participants voting for this value.*

2012 CURRENT CULTURE VOTES (10006 participants)

RANK	VALUE	LEVEL	VOTES
1	cost reduction	1	32%
2	customer satisfaction	2	28%
3	productivity	3	27%
4	accountability	4	27%
5	teamwork	4	27%
6	confusion	3	25%
7	inconsistent	3	25%
8	job insecurity	1	23%
9	commitment	5	20%
10	information withholding	3	19%
11	honesty	5	18%
12	continuous improvement	4	18%
13	quality	3	17%
14	indecisive	3	17%
15	goals orientation	4	17%
16	arrogance	3	16%
17	over-control	1	16%
18	blame	2	16%
19	black empowerment	4	16%
20	achievement	3	16%

2013 CURRENT CULTURE VOTES (11642 participants)

RANK	SHIFTS	VALUE	LEVEL	VOTES
1	↑	customer satisfaction	2	32%
2	↓	cost reduction	1	28%
3	↑	teamwork	4	27%
4	↓	productivity	3	26%
5	↑	confusion	3	26%
6	↓	accountability	4	25%
7	↑	goals orientation	4	24%
8	↓	inconsistent	3	23%
9	↓	job insecurity	1	21%
10	↑	continuous improvement	4	21%
11	↓	commitment	5	19%
12	↓	information withholding	3	18%
13	↑	ethics	7	18%
14	↑	black empowerment	4	17%
15	↑	brand image	3	16%
16	↓	honesty	5	16%
17	↑	cost effectiveness	3	16%
18	↓	quality	3	16%
19	↓	indecisive	3	15%
20	↑	information sharing	4	15%

Cultural Entropy Report 2012/2013

Cultural Entropy is the degree of disorder within a system and indicates energy that is unavailable for productive work. It is calculated by the number of votes for potentially limiting values, found only at levels 1, 2 and 3. In this table, Current Culture PLVs are listed by level. **Black bold** *indicates at least a 2% drop in votes from the previous time period.* **Red bold** *indicates where votes increased by 2% or more. ***

PERCENTAGE OF PLVs BY LEVEL	CC 2012 PLVs % of participants voting for each PLV	CC 2013 PLVs % of participants voting for each PLV
3 2012 — 16% 2013 — 14%	confusion 25% **inconsistent 25%** information withholding 19% **indecisive 17%** **arrogance 16%** **bureaucracy 15%** silo mentality 12% **change resistance 11%** **long hours 9%** status/ authority 6%	confusion 26% **inconsistent 23%** information withholding 18% **indecisive 15%** **arrogance 13%** **bureaucracy 13%** silo mentality 12% **change resistance 8%** **long hours 7%** status/ authority 5% entitlement 2%
2 2012 — 6% 2013 — 4%	**blame 16%** **abusive 12%** empire building 9% internal competition 8% **racial discrimination 8%** entitlement 2%	**blame 13%** empire building 9% internal competition 8% **abusive 8%** **racial discrimination 6%**
1 2012 — 8% 2013 — 7%	**cost reduction 32%** **job insecurity 23%** **over-control 16%** **short-term focus 11%**	**cost reduction 28%** **job insecurity 21%** **over-control 14%** **short-term focus 9%**
% of Total Votes for PLVs	29348 out of 100060: **30%**	30081 out of 116420: **25%**

Cultural Entropy decreased by 5%.
A fall in cultural entropy has occurred at all three levels. The only potentially limiting value that has shown an increase from 2012 is 'confusion'. Spend some time focusing on what the issues may be in this regard and what steps might be taken to address this.

Cultural Entropy Reduction Scale ***
With targeted initiatives, cultural entropy in an organisation can reasonably be expected to decrease at the following rates:
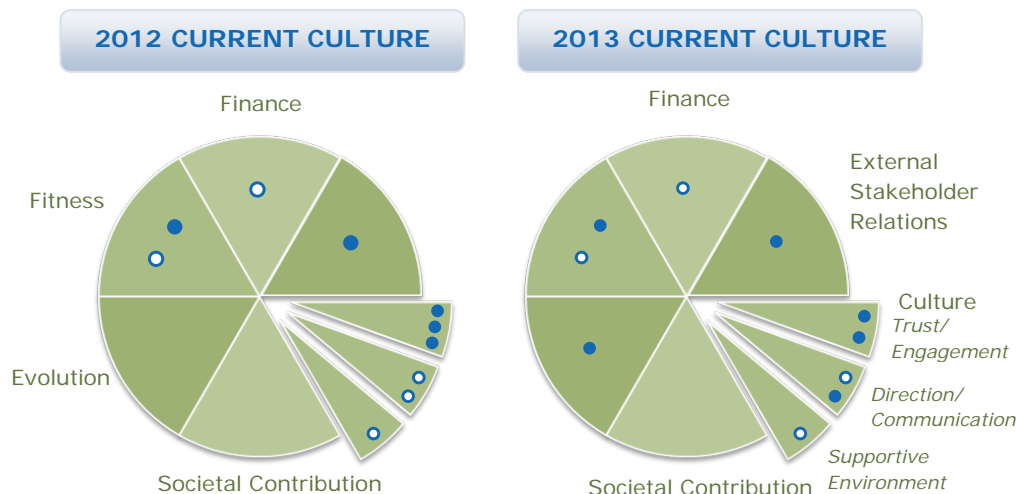
Cultural Entropy level and impact	Average decrease
10% or less Healthy	1%/yr.
11% - 20% Minor issues	2%/yr.
21% - 30% Significant problems	4%/yr.
31% or more Serious/Crisis situation	6%/yr. [1]

[1] In crisis situations, new leadership or intense leadership development can drive higher shifts.

This diagram shows the business focus of your organisation in the two time periods. Finance looks at economic health and financial growth; Fitness relates to systems and processes; External Stakeholder Relations focuses on customer satisfaction and strategic alliances; Evolution highlights innovation and learning; Societal Contribution indicates social and environmental responsibility; Culture concerns employee fulfilment and group cohesion. Culture breaks down further into three sub-sections: Trust/Engagement, Direction/Communication and Supportive Environment.
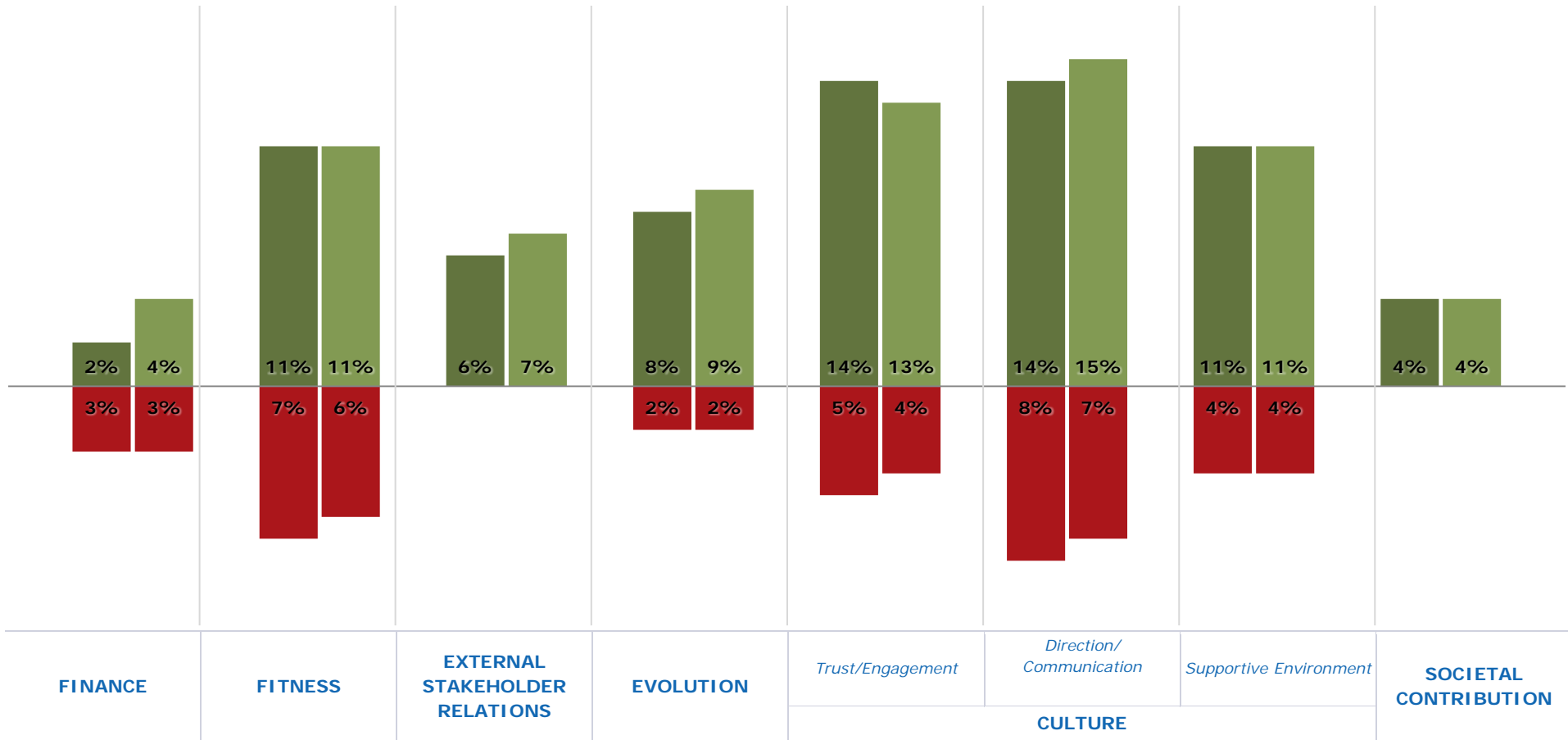

2012 CURRENT CULTURE

2013 CURRENT CULTURE

AREA	FINANCE	FITNESS	EXTERNAL STAKEHOLDER RELATIONS	EVOLUTION	CULTURE			SOCIETAL CONTRIBUTION
					Trust/Engagement	*Direction/ Communication*	*Supportive Environment*	
2012 Current Culture	cost reduction (L)	inconsistent (L) productivity	customer satisfaction		accountability **commitment** teamwork	confusion (L) **information withholding (L)**	job insecurity (L)	
2013 Current Culture	cost reduction (L)	inconsistent (L) productivity	customer satisfaction	**continuous improvement**	accountability teamwork	confusion (L) **goals orientation**	job insecurity (L)	

*Values in **bold** are differences from one time period to the next.*

This diagram shows the percentage of all Current Culture values by BNS area for both time periods.

FINANCE	FITNESS	EXTERNAL STAKEHOLDER RELATIONS	EVOLUTION	Trust/Engagement	Direction/ Communication	Supportive Environment	SOCIETAL CONTRIBUTION
2% 4%	11% 11%	6% 7%	8% 9%	14% 13%	14% 15%	11% 11%	4% 4%
3% 3%	7% 6%		2% 2%	5% 4%	8% 7%	4% 4%	
					CULTURE		

2012 Current Culture Values ■   2013 Current Culture Values ■   Cultural Entropy ■

*Listed below are the values that received the largest increase of votes from the Current to Desired Culture in each time period, along with the percentage growth in participants requesting each value in the Desired Culture. Top Desired Culture values appear in **bold**. Variations between the two time periods are highlighted in green.*

KEY SHIFTS

The values where people request most new focus in 2013 are identical to the requests seen in 2012. In almost all cases, however, the percentage change has reduced or remained the same. The exception is in the request for greater 'accountability'. What might you do to better support this desire going forwards?

KEY REQUESTS FOR 2013

This group continues to want to enjoy their work, have opportunities to develop and feel appreciated for their efforts. They seek greater openness and would like to be guided by strong leaders. People want a culture where everyone follows through on their obligations and where they feel certain about their future.

2012 VALUES JUMPS FROM CURRENT TO DESIRED CULTURE	% INCREASE	2013 VALUES JUMPS FROM CURRENT TO DESIRED CULTURE	% INCREASE
honesty	**26%**	**accountability**	**25%**
accountability	**24%**	**career development**	**18%**
career development	**21%**	**honesty**	**18%**
job security	**19%**	**job security**	**17%**
leadership effectiveness	**16%**	**leadership effectiveness**	**16%**
employee recognition	13%	employee recognition	12%
employee satisfaction	12%	employee satisfaction	12%
open communication	11%	open communication	10%
coaching/ mentoring	10%	coaching/ mentoring	10%
continuous learning and development	10%	continuous learning and development	9%

Research shows that values jumps of 25% or more are significant and need to be addressed. However, values jumps percentages may increase significantly based on the degree of cultural entropy in an organisation, with higher cultural entropy rates likely to result in higher values jump percentages.****
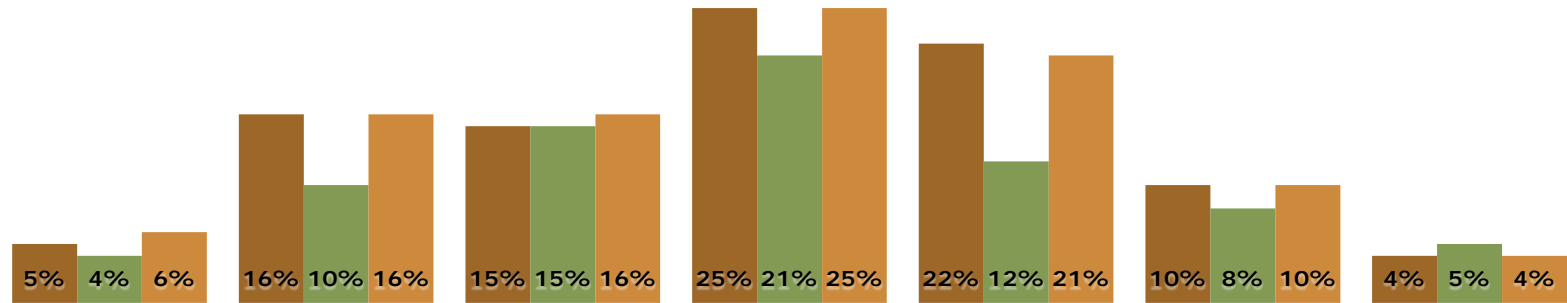
Section 3: Evolution of the Desired Culture

Section 3: Desired Culture Values 2012/2013

The table below compares past values requests with present Current and Desired Culture values, revealing the extent to which initial requests have been satisfied. Desired Culture values indicate the direction participants believe the organisation needs to take for optimum performance. The graph highlights by level where people would like to see more focus. Only positive focus is represented.

Legend:
- 2012 Desired Culture
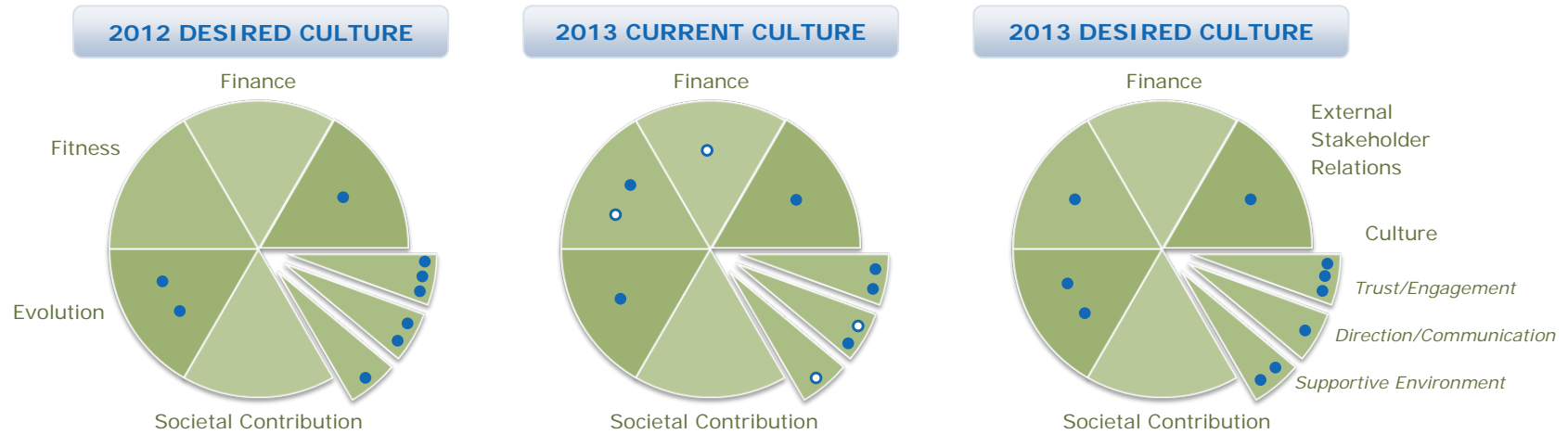- 2013 Current Culture
- 2013 Desired Culture

	1	2	3	4	5	6	7
(2012 Desired Culture)	5%	16%	15%	25%	22%	10%	4%
(2013 Current Culture)	4%	10%	15%	21%	12%	8%	5%
(2013 Desired Culture)	6%	16%	16%	25%	21%	10%	4%

LEVEL	1	2	3	4	5	6	7
Satisfied 2012 Desired Culture		customer satisfaction		accountability teamwork	commitment		
Unsatisfied 2012 Desired Culture	**job security**		**career development**	**continuous improvement** information sharing	**honesty**	**leadership effectiveness**	
Satisfied 2013 Desired Culture		customer satisfaction		accountability teamwork **continuous improvement**			
Unsatisfied 2013 Desired Culture	**job security**	approachable	**career development**		**honesty** commitment	**leadership effectiveness**	

Values in **black bold** are repeating requests that remain unsatisfied in the current results. Values shown in **blue bold** have successfully become key values in the Current Culture. *What initiatives, if any, took place to foster this in your team?* Look at the levels where people are requesting more focus in order to foster further improvements.

Desired Business Needs Scorecard 2012/2013

This diagram shows the current business focus of your organisation and where participants want more energy to be directed.
*Consider the requests that have remained the same and any shifts that participants want going forward. Words in **bold** are matches.*
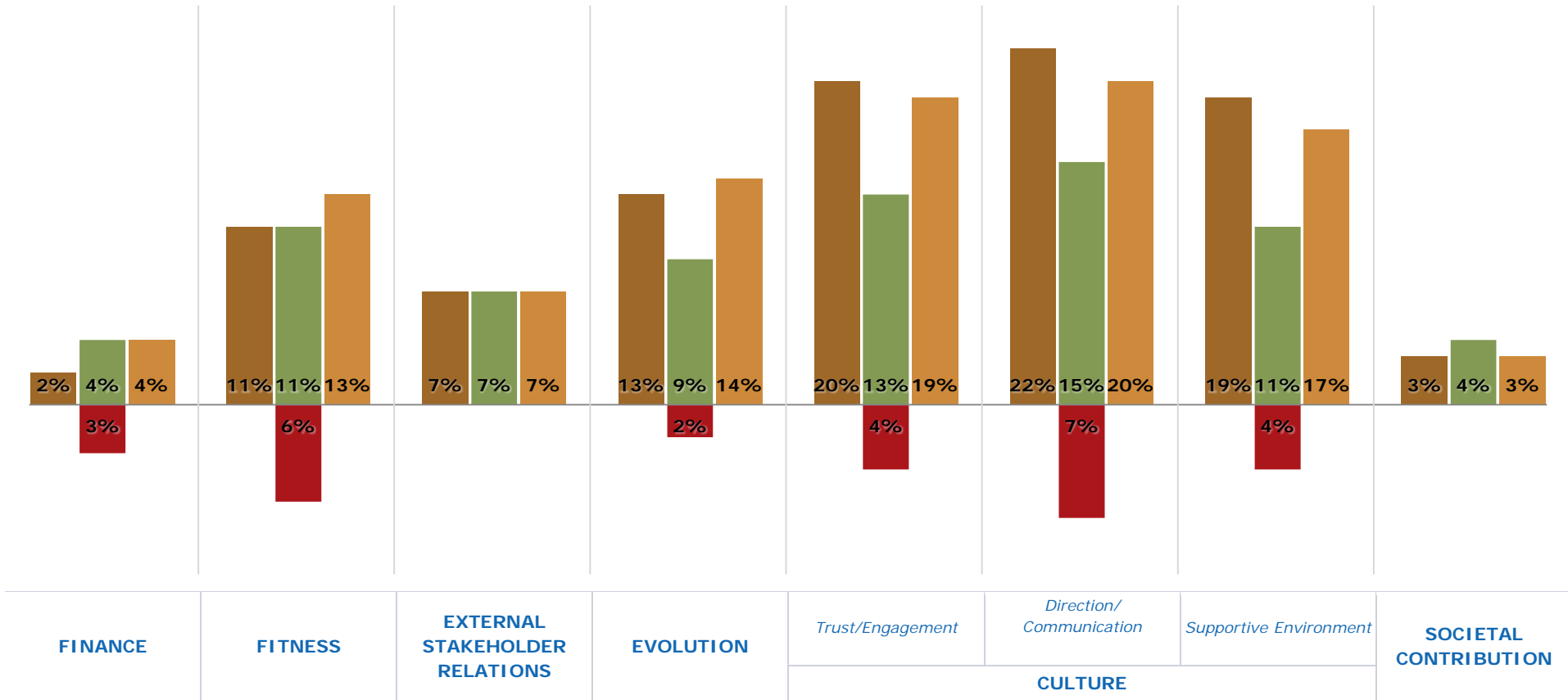
AREA	FINANCE	FITNESS	EXTERNAL STAKEHOLDER RELATIONS	EVOLUTION	CULTURE			SOCIETAL CONTRIBUTION
					Trust/Engagement	*Direction/ Communication*	*Supportive Environment*	
2012 Desired Culture			**customer satisfaction**	**career development continuous improvement**	**accountability commitment teamwork**	**honesty** information sharing	**job security**	
2013 Current Culture	cost reduction (L)	inconsistent (L) productivity	**customer satisfaction**	**continuous improvement**	**accountability teamwork**	confusion (L) goals orientation	job insecurity (L)	
2013 Desired Culture		leadership effectiveness	**customer satisfaction**	**career development continuous improvement**	**accountability commitment teamwork**	**honesty**	approachable **job security**	

Desired Business Needs Scorecard 2012/2013

This graph shows, by BNS area, how overall desired focus has shifted and where focus is currently placed. Note the extent to which requests have been met and what gaps must be bridged. Only positive Desired Culture values are included.

FINANCE	FITNESS	EXTERNAL STAKEHOLDER RELATIONS	EVOLUTION	Trust/Engagement	Direction/ Communication	Supportive Environment	SOCIETAL CONTRIBUTION
2% 4% 4% 3%	11% 11% 13% 6%	7% 7% 7%	13% 9% 14% 2%	20% 13% 19% 4%	22% 15% 20% 7%	19% 11% 17% 4%	3% 4% 3%
					CULTURE		

Legend:
- 2012 Desired Culture Values
- 2013 Current Culture Values
- 2013 Current Cultural Entropy
- 2013 Desired Culture Values

Section 4: Evolution of the Personal Values

This diagram shows the degree of personal and organisational alignment that people experienced and requested in both time periods. When people are personally aligned with their organisation, their levels of commitment and productivity are more likely to increase.

Level	2012 PERSONAL VALUES	2013 PERSONAL VALUE
7		
6		
5		
4		
3		
2		
1		
	IRS (P) = 6-4-0 | IRS (L)=0-0-0	IRS (P) = 5-5-0 | IRS (L)=0-0-0

2012	2013
honesty *accountability* *commitment* respect responsibility trustworthy positive attitude performance caring integrity	**honesty** *accountability* respect **commitment** responsibility trustworthy positive attitude caring performance family
MATCHES WITH 2012 CURRENT CULTURE (2)	**MATCHES WITH 2013 CURRENT CULTURE (1)**
accountability *commitment*	*accountability*
MATCHES WITH 2012 DESIRED CULTURE (3)	**MATCHES WITH 2013 DESIRED CULTURE (3)**
honesty *accountability* *commitment*	**honesty** *accountability* commitment

In 2013, there is one match between individuals' personal values and the organisational values, indicating that participants feel slightly less connection to the organisation.

The value 'commitment' did previously feature in the top values and is now the 11th value; less people see this value reflected in the organisation in 2013 than in 2012.

Moving forward, participants would like to see **honesty** and **commitment** having greater impact on the way the organisation operates.

What steps can you take to support the inclusion of these personal values within the culture?

KEY

Satisfied in Current Culture

Satisfied in Personal, Current & Desired Culture

Unsatisfied Request

22

Research from 100 assessments across different industries indicates that when cultural entropy is high or low, there is greater consensus around the top Current Culture values. The average percentages are shown below:

Cultural Entropy	Strength Index- Average
0-10%	36%
11-20%	31%
21-30%	30%
31-40%	34%
41%+	40%

**Please note that among the report diagrams slight variations in total Cultural Entropy percentages may occur as a result of rounding the level/category percentages to the nearest whole number.*

***To allow for comparative analysis, Barrett Values Centre research shows that organisations using targeted cultural initiatives to decrease cultural entropy can reasonably expect a certain degree of decrease relative to the Current Culture entropy. Cultural entropy of 10% and below see average reduction of cultural entropy occurring at a slower pace (1% per year) than in organisations with higher percentages of Current Culture entropy. Organisations with Current Culture entropy in the 11% to 19% range may affect a higher average percentage decrease (2% per year). Organisations with Current Culture entropy in the 20% to 29% category generally affect an average decrease of 4% per year. Organisations with Current Culture entropy greater than 30% commonly affect an average of 6% per year rate of improvement.*

****Our research shows that employees who experience higher levels of cultural entropy in their organisations request a higher-percentage of change between Current and Desired Cultures than those people in organisations with lower levels of cultural entropy, as would be reasonably expected. Values Jumps are those values that received the highest increase in votes from the Current Culture to the Desired Culture. The greater the consensus in the Values Jumps, the more unified is the call for change and desire for action. The Values Jumps Classification Index resulted from a joint study with Hewitt Associates to research the best employers in various regions of the world. Participating organisations were categorized by degree of cultural entropy, where a 0.8 correlation between cultural entropy and engagement indicates that cultural entropy plays a major role in engagement levels. The categories were described as The Best, The Rest and The Bottom. The Best organisations had cultural entropy under 11%; those organisations with cultural entropy between 11% and 19% were designated as the Rest; and those with cultural entropy of 20% and greater were referred to as the Bottom organisations. Analysis of these organisations revealed significant differences in the Values Jumps percentages between Current and Desired Cultures. Values Jumps in the Best organisations averaged 12% or lower. Values Jumps in the Rest category ranged from 13% to 17%, and those shifts in the Bottom organisations divided into two separate tiers, 18% to 24%, and 25% and above.*