DEFINING DIRECTION through CULTURE

CULTURE MAPPING

For Culture Fit
CULTURE HAS A SIGNIFICANT IMPACT on business performance. Routine decision-making around customer service, product development, and financial expenditures are closely linked to cultural style. An organization’s ability to change and adjust is linked to its culture.

Culture describes the way individuals within an organization work and interact. Culture summarizes the behaviors, values and beliefs people exhibit in order to accomplish their work. While the concept of culture may seem abstract, we see its use daily. For example, employees may talk about “how we do things around here” or “...this is the XYZ Company way,” while a hiring manager may evaluate job candidates for how well they “fit” the organization.

Culture is the paramount issue for the success of mergers and acquisitions. According to CFO and Fortune Magazines, roughly 75% are considered “disappointing or outright failures,” and only 23% of Acquisitions earn their cost of capital. Interestingly, ‘people problems” and ‘cultural issues’ are cited as the primary cause of the majority of failures. in3’s approach to mapping culture anticipates and resolves integration issues. Alternatively, the Culture Model can be used externally to compare one’s own corporate culture with that of potential acquisition targets, alliance partners, or subcontractors; assessing them for potential fit.

In the past few years, several major studies have indicated that people and cultural issues are the most problematic of all organizational issues to resolve. Many progressive companies are now beginning to put into practice a structured culture survey as a way to understand the context of these problems.
THE CULTURE MODEL is an instrument designed to assess organization culture – a description of how the executives, employees, and sub-groups work together to achieve their goals. The instrument breaks culture down into component scales (e.g. decision making, results orientation, etc). Survey participants are asked to evaluate pairs of equally weighted statements in light of observed behavior. Their responses are used to develop a profile which reveals cultural preferences. This profile enables executives to foresee inherent cultural advantages and barriers in any organization or initiative.

The model penetrates an organization’s working culture and its alignment with strategy, tactics and operations. It provides insight into leadership style, executive promotion and barriers between senior executives and the general employee population. Our clients have found the culture model to be a powerful tool for high-level decision-making. The culture model, combined with qualitative research, pinpoints root causes of organizational issues.

Please note the Culture Model is designed to be values neutral. Organizations exhibit a wide range of cultural norms and preferences. There is no one cultural style that is considered to be more moral, ethical or successful than another. Therefore, it does not assess moral or ethical behavior of either individuals or organizations. Moreover, it does not assess issues related to legal compliance, labor law or workforce safety. It does not measure, nor can it be used to assess the skills, capabilities or effectiveness of individuals or organizations. We do not endorse the use of the Culture Model for any use other than the development of normative cultural profiles.
A. GROW
- Increase market share
- Develop new products
- Expand sales force, manufacturing and distribution systems
- Price to gain market share

B. EARN
- Optimize margins
- Differentiate products
- Segment markets
- Optimize value chain
- Price to retain market share

C. HARVEST
- Forgo market share for the sake of cash
- Hold price and margins
- Prune product line
- Decrease capacity, shrink workforce

BUSINESS VALUES (SAMPLE)
1 ) Team player
2 ) Whatever it takes
3 ) Push the envelope
4 ) If its not broke don’t fix it
It would be next to impossible to integrate 1-Blue Company and 2-Red Company after an acquisition. Their cultures are too different. Consequently, their management practices are poles apart. It is inevitable that top talent from the subordinate company will eventually leave in frustration.

The reality is, what made a person a superstar in the Blue culture is not valued in the Red culture. The Blue and Red cultures think differently and go to market in dissimilar ways. More importantly, their best customers think like they do. The Blue culture star would not be respected in the Red culture, or embraced by the Red culture’s customers. The former star is set up for failure.

It is not easy to understand how someone can be a superstar in one company and a failure after moving to another. After all, isn’t past history the best predictor of future performance? The answer is: sometimes—if that person moves to a similar culture. At all other times, such a move is a costly, both for the individual and the company.

The two companies cultivate their talent differently. Please review the following table to see how Talent Management practices differ by culture. These methods grate against the individual and the individual grates against these systems.
### CULTURE DIFFERENCES: WHY FIT IS IMPORTANT

<table>
<thead>
<tr>
<th>PRACTICE</th>
<th>BLUE PRIORITY</th>
<th>RED PRIORITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>SELECTION</td>
<td>We look for people who fit with our values—who are team players.</td>
<td>Find us the super-stars first; we’ll worry about values later.</td>
</tr>
<tr>
<td>TRAINING</td>
<td>What does the company need? Let’s train them in our way—we do in-house training.</td>
<td>We’re the best; who needs training.—we pay for individual, outside training if at all.</td>
</tr>
<tr>
<td>MEASUREMENT</td>
<td>We track our talent &amp; build up our bench strength. All have goals &amp; measures.</td>
<td>We give our stars some big goals &amp; let them run with them.</td>
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<tr>
<td>STAFFING/9 BLOCK</td>
<td>We need one system so we place &amp; match talent for the good of the company.</td>
<td>Let me pick my own team. I know what I need.</td>
</tr>
<tr>
<td>REWARDS</td>
<td>We need a balance of corporate, team &amp; individual incentives.</td>
<td>We want individual incentives; why should I share my bonus for something I did.</td>
</tr>
<tr>
<td>SUCCESSION PLANNING</td>
<td>We cultivate leaders for tomorrow. Who wants to be part of us?</td>
<td>We don’t worry about career planning. We’re hired guns. We go where we want.</td>
</tr>
<tr>
<td>STRATEGY</td>
<td>What are the market opportunities that we know we can sell to our clients?</td>
<td>What is the coolest most cutting edge opportunity out there? Where can we be 1st.</td>
</tr>
<tr>
<td>STRUCTURE</td>
<td>What’s our way to do things? What can we leverage? What’s scalable? How do we structure to execute?</td>
<td>Don’t structure—let your stallions run. Don’t fence us in. Let us run our own operations.</td>
</tr>
<tr>
<td>PROCESSES</td>
<td>We need processes so we’re efficient and present a consistent face to our customers.</td>
<td>I’ll do my own processes for my own operation. Don’t let me get tangled in someone else’s.</td>
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<tr>
<td>PRACTICES</td>
<td>People walk over and talk others to solve problems. They use the phone.</td>
<td>People send emails to the necessary parties to solve problems.</td>
</tr>
<tr>
<td>ENGAGEMENT</td>
<td>The more engaged the better.</td>
<td>If they’re not engaged they’re out of here.</td>
</tr>
</tbody>
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