



Building and Measuring Culture December 1, 2021

The COVID-19 pandemic has had tremendous and swift effects on various aspects of the workplace. As many organizations are defining the future of work and rethinking their approach to employee experience, much attention has been geared towards questions related to developing and maintaining a strong culture with limited face-to-face interaction. In this working group, participants shared their current strategies around: (1) how to build a culture that optimizes individual, team, and business performance; (2) how to help managers reinforce cultural values; and (3) how to effectively measure culture. The working group began with a presentation by Jerh Collins, Chief Culture Officer at Novartis, followed by an open discussion.

DISCUSSION TAKEAWAYS

1. Organizational Culture

- **The importance of culture:** Culture connects people and guides behaviors at work. A positive and strong culture can help attract new talents and improve employee engagement. That being said, the link between culture and business performance is quite inconclusive. Some organizations are still studying it while others observe a rather marginal impact of culture on their overall outcomes. Some organizations suggest that the insignificant result can be explained by factors such as the process of implementing the culture, the appropriateness of the values, or the tools used to measure the culture.
- **Cultural variations within an organization:** Employees from various departments and sites might interpret the same culture in different ways. These variations should be expected and accepted as long as they still reflect the organization's cultural theme.
- **Different cultures for different organizations:** Many organizations have similar cultural values such as team orientation and concern for others. However, each should have their own approach for identifying the specific components of the culture and the managerial practices that follow.

2. The Bottom-up and Top-down Approach to Building Culture

- **Bottom-up:** Employees play an important role in shaping culture. To identify the culture that drives performance, an organization needs to understand who the employees are and what experiences they are having. This can be achieved by conducting focus groups, setting up an employee experience research team, or encouraging frequent manager-team conversations.
- **Top-down:** Based on employee inputs, organizations can determine what type of culture they want to have and what workplace practices are needed to foster it. The next step then involves having conversations with leaders from across the organization to frame the culture and to receive feedback. After that, the cultural values can be refined and communicated to employees.

16
participants
from
12
CAHRS Companies:

Accenture
CNH Industrial
Harvard Business Publishing
HP
IBM
Invesco
Johnson & Johnson
JPMorgan Chase
Novartis
Manulife
R1 RCM
Shell

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3. Sustaining Culture

- **Leadership training:** Managers help shape, direct, and promote a positive workplace culture and act as a role model for their employees. Therefore, organizations should invest in leadership training programs that help managers recognize what leadership approach is appropriate and what areas they need to improve to effectively perform their roles.
- **Employee feedback:** Maximizing cultural embeddedness requires high levels of transparency and listening. By engaging employees in developing and refining workplace culture, an organization can create a sense of ownership among employees and motivate them to maintain the culture.
- **Tying culture to performance management:** Some companies are trying to include cultural values in employee performance reviews as a way to encourage their employees to live the culture in their daily work life.

4. Measuring Culture

- **Proxy for culture:** Since workplace culture can be challenging to measure in any tangible way, organizations can opt for proxies such as engagement and learning. It depends on the organization's culture to determine the appropriate proxies, but the more proxies that are used the better the estimation tends to be.
- **Social network analysis:** Social network analysis can also be used to measure culture. This approach works best when organizations have a specific question they want to address.
- **Focus groups:** Organizations can approach employee resource groups for their evaluations of current cultural values and managerial practices. Organizations can also adopt a more diverse strategy by working with different types of focus groups. For example, they can conduct focus group with people randomly selected from their business impact networks while simultaneously collecting inputs from an official feedback group. Members of the feedback group can be employees who volunteer to become frequent contributors. In general, the feedback group tends to have similar responses as the random focus group.
- **External stakeholders:** Culture can also be examined from the perspectives of other stakeholders such as business partners, customers, temporary workers, and interns.
- **Outlier units:** When examining cultural performance, it might be worthwhile to pay attention to outliers and understand why they lag behind the rest of the organization.
- **Internal and external benchmarking:** To introduce timely interventions, organizations might want to conduct regular internal and external benchmarking. Internal benchmarking is necessary to evaluate the effectiveness of the culture implementation strategies over time, while external benchmarking might help identify the common cultural themes.

This Summary Report was prepared by Brad Bell and Note Taker Thao Nguyen for participants of the "Building and Measuring Culture" Virtual Working Group.

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