CULTURE AUDITS: THE DEFINITIVE GUIDE

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At the Centre for Corporate Health, we are interested in working on culture transformation projects that lead to significant improvements for our clients. An important component of culture transformation is a culture audit. Over the past thirteen years, we have learnt that to get the most out of a culture audit process, an organisation needs clarity in terms of what they want to achieve through the audit. Do they really understand the expectations an audit will create? Do they know what is involved and that they are prepared to follow through with the outcomes of the audit to create the culture that the organisation needs to achieve its goals? With that in mind I have created a definitive overview of what a culture audit is, why you would do one, when is a good time and what tools are useful in the process.

What is workplace culture?
Workplace culture is ‘the shared values, norms and expectations that govern the way people approach their work and interact with each other. An organisation’s culture describes the ways of thinking, behaving and believing that organisational members have in common’.
In breaking this definition down we see that culture is something that is ‘shared’ values (what is important) and beliefs (how things work) are central components. In addition there are norms – the explicit and implicit ‘rules’ for how to behave and expectations – which reflect what is encouraged, discouraged, rewarded and punished.’

What is a culture audit?
A culture audit investigates the underlying behaviours that employees are in engaging in as they conduct their role within the organisation. It is often used to benchmark whether the values, behaviours, norms and expectations are supporting or hindering the company in achieving its vision and mission. A culture audit involves surveying all or a defined group within a workplace population to determine certain measurements of existing and / or desired culture and practices.
There are a variety of approaches to culture audits and it is important to consider which approach best suits the organisation at this time. Culture audits can measure different elements such as:

- What are our expectations of the culture?
- What culture do we want (ideal culture)?
- What culture do we have? (current reality)

Having this clarity will assist in selecting the best culture measurement tool for your organisation.

**Why do a culture audit?**

Whenever we are asked to create a culture audit program for a client, our first question is WHY? What is the real purpose; it is important to be really honest with yourself here. If you want to simply get a report to show to the CEO and the Board so certain management decisions can be made, then there are many tools available to help you do that. Looking at organisations that have truly transformed their cultures, it is not because of the audit tool they used. Their success has been largely due to the comprehensive process and transformation methodology they used, together with the experience and character of the people leading the program, both internally and externally over many months and sometimes years.

Culture Audits are a useful measurement tool as part of a desire to create a culture that enables the organisation to deliver on its vision and mission. A culture audit will identify a mismatch between what people are currently doing and what needs to be done to reach the strategy and goals of the organisation. A culture audit will pinpoint where the mismatch or disconnect is occurring and will indicate some of the causal factors that are creating that mismatch.

If you believe your organisation has the potential to lift its performance and you know that your people are a key contributor to that, then measuring the current culture is an important first step. Measuring the culture across the organisation gives a clear understanding of where the organisation is now and provides an opportunity to consider where you would like to take the culture to achieve your goals in the future.

**What tools are best for culture measurement?**

There is a range of tools designed to measure culture. At the Centre for Corporate Health we are accredited in several tools, each suited to a different approach. We believe that it is important to select the framework that will work best given the current circumstances. Some culture audit specialists tend to work with only one system that they are familiar with and this can mean an organisation is not necessarily using the best tool for their situation. The Centre for Corporate Health’s flexible approach ensures that we work in partnership with each client to determine which tool is most appropriate for their circumstances and what they wish to address.
When is it worthwhile to do a culture audit?

We advise clients, that when an organisation is considering a culture audit, they also need to consider whether they are prepared to follow through with a culture transformation project – are you actually willing to do the work to change the culture to one that will achieve your goals?

Too often organisations engage in a culture audit process, only to shirk away from the next stages of the process; they ask employees to fill out surveys, which in turn raises an expectation that the culture will be proactively addressed. If the organisation is not prepared to implement the changes to achieve the culture this leads to disillusionment and employee dissatisfaction. This can in turn actually have a negative impact on the culture!

Culture audits bring to light unspoken issues and tell a story about what is working well and where there are areas for improvement. There are also specific times when a culture audit is helpful - when an organisation is struggling to meet it’s goals, when there has been a significant change in the business or market, following a merger or acquisition or following a change in organisational size or structure.

Who within the organisation should be responsible for the Culture Audit and subsequent implementation of new policies?

To reap the benefits of a culture audit, the senior leadership team need to be involved and committed to the culture audit and culture transformation process. Without their support and buy-in the impact will be lessened and unlikely to achieve the desired outcomes.

We often work with HR directors and managers to set up the processes, stages and key check-in points throughout the process. At the same time we work directly with the senior leadership team to ensure they are able to lead the culture change initiatives in their area of the business. This may involve support and coaching for the leadership team and their direct reports.

How is it best to go about a culture audit?

We create a customised process to suit your particular needs and circumstances. There are some core elements that are part of a well-designed culture intervention process and an overview of those are provided here.

Stage 1 - Executive / Senior Management Engagement Session

- This is an important information step for the Senior Management Group to achieve a full understanding of what the cultural change process is all about and what is required.
- Discuss culture change program and process in context of business objectives, strategy, goals etc.
- Key outcomes... clear understanding of their role and responsibilities to lead the change, increased motivation for change, desire to get organisational results (Stage 2)
Stage 2 - Organisation culture audit and debrief
- Conduct Culture Audit across whole organisation. Includes planning, project management and administration.
- Executive debrief (2 hours)
- Key outcomes... understanding of results, and development of high level action plan

Stage 3 - “Leading the Change” Senior Manager workshops
- This is essential to truly bring about cultural change.
- Executive and senior managers
- 3-day, intensive leadership development workshop, preferably off site, residential.
- Personal leadership development 360-degree inventories. Choices
- Follow-up coaching/support, additional.

Stage 4 - “Making the Change” staff workshops
- Whole organisation personal development program
- 3-day, intensive personal development workshop, preferably off site, residential.
- Personal development 360-degree inventories.
- Key outcomes... understanding of results, and development of personal action plan

If you are considering Culture Audit for your organisation, it is important to take the time to plan in terms of organisational requirements and goals, as well as the commitment required from leadership staff. For hints and tips on getting the project scope right, refer to our recent blog Culture Audits – Getting the Scope Right.

More Information

To confidentially discuss your culture challenges and audit requirements, please contact us on 02 8243 1500 or admin@resilia.com.au or visit www.resilia.com.au

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