

**Graduate School of Banking at Colorado
2007 Session**

Intersession Research Project

**Understanding Your Firm's Corporate
Culture for Strategic Alignment**

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Understanding Your Firm's Corporate Culture For Strategic Alignment

OBJECTIVE:

Diagnose your organization's "*current*" operating culture and "*preferred*" culture five years from today. Develop a strategy that will move your organization to the "*preferred*" culture within the five-year period.

This is a three-part exercise. Part I. will require the completion of a cultural assessment instrument. This instrument will help you evaluate the current and preferred culture of your organization. Part II. will involve the mapping and evaluation of the results from the assessment survey. Part III. will require the development of a business strategy to move your organizations culture to the "*preferred*" state over the course of five years.

All papers will be typed in a clear, concise and well-written format, and should articulate a strategy that would be **appropriate for submission to your Board or senior management**. The recommendations in your paper should be realistic for the organization and environment that you operate. Generalizations such as "increase communication" are obvious recommendations. **Generalized recommendations will not be considered towards points or the grade on the paper**. Specific recommendations that are focused on your organization are required. Points will be deducted for papers that do not meet these requirements.

In addition to the strategy paper, all submissions must include a copy of the completed scoring worksheet from the six assessments (last two pages of assessment document), as well as the completed cultural graphs. One graph should include the combined six "current" assessments and one should include the combined six assessments for the preferred.

All papers must also include the summary ratios financial page (1) that includes the financial data for the past four years for your organization. I do not want the page that shows your banks name, that is the lead page of the UBPR. You should also include a copy of the page that reflects noninterest income and expenses (page 03). Points will be deducted for not including these pages.

Suggested additional reading to supplement your thought process:

Kim S. Cameron & Robert E. Quinn, Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework. Reading, Mass.: Addison-Wesley, 1999

Edgar H. Scheen, the Corporate Culture Survival Guide. San Francisco, Ca.: Jossey-Bass Publishers, 1999

John P. Kotter, Leading Change. Boston, Ma.: Harvard Business School Press. 1996

Organizational Culture

Part I.

Complete the Organizational Cultural Assessment Instrument (OCAI) (attached). The instructions are very straightforward. If you work for a very large organization, complete the assessment on the basis of a functional unit or department (branch office for example). It would be extremely difficult if not impossible for you to complete a cultural assessment and develop a strategic plan to change the culture of say "Citicorp". Complete the assessment based on something you could control or influence. If you work for a community bank, it would be very realistic for your assessment to include the entire bank.

NOTE: The assessment must be completed by at least six individuals in the organization. One of the six assessments is your own. Three must include upper management, such as the bank president, and three must include personal from clerical and first line supervision. These must be included in your submission to receive credit. If you have peers that are also in this program you may share this data as part of your project. However, the analysis of the data must be your own work. You must also state on your paper that your data has been shared with another student. Please list their name.

Part II.

Once you have completed the assessment and scored it as directed. Transfer the results of both the *current* and *preferred* culture to the matrix provided. For example, for each survey, you will take the sum of their "A" answers and divide by six; this will go into the box provided. You will do the same for B, C, and D to arrive at the total score for "now" or *current* as well as *preferred*. It is important to note that the total of these four scores cannot exceed 100 points. Once all of the participants' surveys have been scored, and placed into the matrix, you are ready to chart your graphs. You will need to plot each of the participants' on both the *current* and *preferred* graphs. For example, take your first survey, plot the A,B,C,D scores on the axes and then connect the dots. Once you have plotted all of the current and preferred on the graphs, you can start to make some evaluations. Please map them in different colors so I can see the differences.

With the materials provided, start to evaluate what your *current* culture means. It would be very useful to evaluate your assessment and map along with the organizations written mission, vision, values, strategic plans, etc. You will also need to interview the individuals that completed assessments to understand why they answered the questions the way they did.

Before you start your analysis, it would be important to spend some time with your institution's UBPR. Clearly understand where you are with regard to performance and why. Are you in the top 25th percentile for performance or the bottom? Why? Look at your bank's efficiency and overhead, do you understand these numbers?

Now, evaluate the *current* with your “*preferred*” paying close attention to any area that has a 10-point difference in the two assessments. Variances of 10 points could indicate the need or your perceived desire for significant changes in the current operating environment of the organization. This means 10 points across the entire spectrum. For example if in the clan culture your top score is 50 and your low score is 30, regardless of the scores in between, you have a difference that is greater than 10 points. The individual with the high score and the individual with the low score see something different. Why? How do these differences affect performance and culture?

Based on the assessments and your interviews, start writing down what the future would look like, what would have to change, how it would have to change, what processes or stages would have to take place? How would you know when you are living the “*preferred*”. Would everyone agree when you have arrived? Remember if you have differences, how do they translate to how people see the organization and their level of satisfaction with regard to their work environment?

Diagnosing and Changing Organizational Culture, Based on the Competing Values Framework by Kim S. Cameron and Robert E. Quinn will be your guide for this assignment.

Part III.

In no more than fourteen pages, clearly articulate the *current* culture of the organization as well as the *preferred* culture. Then provide the strategy you would undertake to move your organization to that *preferred* culture.

The first paragraph should include a brief background of your organization. This should include: location, asset size, number of employees, and approximate description of the market area, as well as any branches.

Next, fully describe the *current* culture and how it ties to your mission, vision and values of your organization, followed by a clear description of the *preferred* culture based on the results of your assessments. Finally, clearly explain what the strategy would be to move your organization to that *preferred* culture. Remember, these are to be in the form of recommendations. You would not approach your Board with general recommendations. Be clear and concise with specific objectives. These are just some of the questions I would expect you might ask yourself as you do your research

- What risks would this involve?
- What norms would change?
- What values would change?
- What impact would the change have on the employees?
- How resistant would the organization be to this change?
- How would your community and your customers perceive your change?
- Would you gain a competitive advantage by this change? If so, what?

- Would everyone currently in management be able to make the transition to the new culture? What training would be necessary to assist in this process?
- Would the new culture result in a change in business strategy, or would this change actually align the organization with the existing strategy?

Note, if your current and preferred culture are pretty identical, and you feel that your bank is already functioning in the preferred culture then your paper should focus on what your bank will need to do to stay in the preferred culture. I am also making the assumption that your bank is in the top 25th percentile for performance. If you are in the bottom percentile and your organization is “happy” with the current culture, then you might want to step back and ask yourself what are we not willing to tell ourselves.

IMPORTANT NOTE: CLAN does not mean, “we are a happy family, we have picnics, our bank does a lot of things together outside, we act as family, we all know each others children”. If this is your view of CLAN, you need to revisit the traits of CLAN before you write your paper.

Good luck
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