If You Don't Measure, You Can't Manage:

It's No Different With Culture!

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The Background: Or, Introduction

It all started for me when I was asked to speak at the 1994 ASSE PDC on how values impacted safety performance. That led to research and a talk that prompted a publisher's representative to recruit me to write a book. In 1995, *Government Institutes* published *Values-Driven Safety*. While some people who read it from various disciplines – that included some accomplished safety professionals – were very complimentary, the ideas failed to gain traction. I inquired of my supporters why that was so. They all gave me essentially the same answer: "You are ten years ahead of your time." As it turns out, it appears that they were insightful; but, in hindsight, it was probably twenty years instead of ten.

While it was about five years after the book was published that the *National Safety Council* magazine featured culture as being important to the practice of loss prevention, not much really happened except that almost everyone selling safety ideas and services started adding the word culture to their marketing materials while doing very little to change their products or services. This would seem to be disingenuous but is ironically legitimate; because, everything you do in an organization affects the culture. The question is whether that change is positive or negative and if positive whether it is the best or most efficient and effective way to achieve the improvement. Without measurement, you'll never know…except anecdotally.

Reflecting on the compulsion leaders have for metrics, I concluded that without a viable and defensible culture measurement methodology the potential for ideas about the importance of culture would be unlikely to go beyond discussions and lack sustainability.

During visits to New Zealand and Australia in 2001 and 2002, involving seminars in various cities around both countries, my suspicions were confirmed. An article published in *Occupational Hazards* entitled, "It's The Culture Stupid", triggered off those visits. It was reprinted in *Safeguard Magazine* in New Zealand and led to an invitation for me to keynote their annual safety meeting and then to seminars in New Zealand and Australia.

Market research following the seminars suggested some good feelings toward America and my approach to safety culture as well. Seminar attendees were amused by me and my ideas; but there was consternation over how to implement the ideas within their environment. They needed a roadmap or "cookbook" to apply the thinking. That led me to create the *Values-driven Safety Applications Manual* (*VDSAM*). It incorporated measurement as well as detailed explanations of the theory and practice. However, some aspects of it were cumbersome…including the critical data collection and display of results (the culture profile). We have largely overcome those shortcomings or difficulties.

The Philosophy

Dr. Edgar Schein is widely recognized as the father of the term "Corporate Culture." He is professor emeritus from the *Sloan School* at *MIT*. Ed has authored numerous books on his favorite subject including *The Corporate Culture Survival Guide*. In Chapter 5, "When and How To Assess Your Culture", he postulates a list of "Why Culture Surveys Do Not and Cannot Measure Culture." He was absolutely correct about the inability of surveys to do the job. And, when the book was written he could also claim that no one has demonstrated the ability to do it using any methodology because when he wrote the book, no one had. That has changed.

Surveys do not and cannot do the job since they just ask questions that are only loosely related to the subject and then they fail to lead to a coherent plan for improvement that logically can predict improvement or culture enrichment.

Here is Ed Schein's list with my observations and what we have done:

1. *You don't know what to ask.* If you don't know what the characteristics or attributes of success are for what you want an organization to achieve then you won't know what to ask. Furthermore, if you don't think through what you need to do to engender those attributes, there is a good chance you won't ask the right questions. The questions we ask are based on values worded as imperatives based on the beliefs that are necessary to automatically acquire the desired characteristics. So, we do know what to ask.
2. *You will risk measuring only superficial characteristics.* That is true if you haven't done a good job of discerning what it takes to achieve the successes you desire. Actually, it is highly likely; so, Ed is right again. But, if you do your "homework" and know exactly what culture or "climate" you need to achieve the goals you have for your organization and what values will automatically lead to the acquisition of those attributes, you not only won't be measuring "superficial characteristic" you will be measuring characteristics critical to your success. That is what our process advocates and does.
3. *Individual respondents will misinterpret or misunderstand some questions.* Ed has certainly identified one of the pitfalls in attempting to create an organization culture profile. In our early efforts we used the full safety culture barometer. We later found that simplifying the wording and just writing the lowest and highest levels of maturity and having the respondents score the prevalence of the value on a scale of zero to ten was something easy for them to understand and do since almost everyone has been asked to use the 0-10 assessment for pain and a variety of other evaluations. Wording the value as an imperative makes it easy to understand and when Dr. Schein saw our culture barometers and scorecards he indicated that he particularly liked our wording values as

imperatives. If you try using one of our scorecards, I think you'll find them very user friendly and easy to understand.

4. *You will not be able to perceive the interaction and patterning in the culture and subcultures.* Ed identifies a significant problem here; but it is also an opportunity. In every organization of any size, there are cultures and sub-cultures. So, we have devised scalable scorecards for everything from individual families to countries. We have suggested values and corresponding culture barometers for individual disciplines such as marketing, engineering, human resources, etc. These "tools" respond to the truth that there are "layers" of cultures. Also, we recognize that our "generic" products are just the beginning. Every organization can use these as a starting point to customize the tools for their individual use based on "where they are" and where they want to head or what their business and corresponding cultural goals are.

5. *It is very inefficient to try to infer shared assumptions from individual responses because of individual differences in how questions are perceived.* This is certainly true if your questions are ambiguous or if you ask a group that is not representative of the whole. That is why we emphasize the need to have a representative group and more desirably collect data from every member of the group. As people look at the scorecard, the culture begins to change as awareness of what constitutes a desirable culture becomes apparent. The time it takes for input from an individual has been shortened from 15-30 minutes to less than 5 minutes. Once someone becomes familiar with the culture scorecard, the time to respond is further diminished. We are looking forward to being able to collect the data via tablets or smart phones and virtually instantly create culture profiles that can appear on leaders "dashboards" in minutes instead of days or weeks.

6. *The survey or interview process raises questions for participants and builds expectations to which you may not be able or willing to respond.* Once again Ed raises a legitimate concern. We caution users not to embark on this process unless they are prepared to share the results of the data collection and respond to concerns. The two things the application of our methodology always produces are: (1) forcing the discussion of important subjects. And (2) shining a spotlight on opportunities for improvement.

The criteria for an effective safety (or any other for that matter) culture measurement system is as follows:

•Based on Sound Social Science & Known Attributes of Excellence The attributes of excellence can be derived from benchmarking or a search of credible literature. The entire process is based on a clear definition of what you want. In the case of safety it is easy; you want an absence of unnecessary losses of any kind. Then you need to identify a credible source or sources of intelligence as to the attributes of organizations that are models of what you seek to be. Once you know what they look like, you can attempt to mimic their culture by acquiring the attributes they have. This is where it gets a little complicated. We suggest you will fail if you simply attempt, one by one, to acquire the desired attributes. This is because you will lose your concentration by the time you get to the second or third goal and if not then soon after. We think you need to decide what you need to believe and value that will automatically lead to the acquisition of the desired attributes; because "A belief is not merely an idea possessed by the mind, it is a mind possessed by an idea." Below, under the "linkage" bullet point I'll elaborate on this.

•<u>Data Collection is Anonymous & Representative</u> The collection of data needs to be anonymous to avoid distortions due to anticipated retribution or someone becoming stigmatized. We do at times encourage unit leaders to identify their responses so they – and we – can see if they are in touch with reality. If they see the organization culture, as it is, that it good: If they overestimate it, they are – to some degree – delusional. That is not good. If they underestimate the strength of their culture, that is very good. We see it as suggesting that they have high standards and will not easily become complacent.

•<u>Linkage Between Attributes & Values is Clear</u> Once you have determined what characteristics are identified with exceptional performance you need to come up with the beliefs and then the values that will inexorably lead to the acquisition of the attributes that predict success. Once you have worded the beliefs as both beliefs and values you are ready to word them as imperatives. A good example of this is our first safety value worded as an imperative. The imperative is: "Do it for the right reason!" The belief that led to this wording is: "We believe that our first concern should be the well being of our employees." The value is simply: "We value each of our employees." That suggests that the first concern of the organization is that you want to send each and every employee home to their family and friends in the same condition – or better – than the condition they arrived at work in. The "values" -- worded as imperatives -- can be validated by creating a matrix with the desired attributes at the top and the values listed in a column down the left side. Put a check in the box if the desired value is likely to enrich or enhance the desired attribute or characteristic. If you have lots of checks, you have done a good job. If you don't, you may need to take another look at what you have done. We did this for our safety values and got 132 checks out of a possible 140. We call this a "correlation matrix."

•<u>Quantified & Objective</u> We live in a world where people like to keep score and have numbers to refer too. They relate best to scales of 10 and numbers that are familiar to them such as school grades and scoring systems they have come to understand such as the pain scale of 0-10 that doctors often use. So, we have used numbers and tried to stick to scales of 10 wherever possible. As to objectivity, once credibility is found to be in question, people tend to discount ideas of methodologies. So, we try very hard to avoid having "axes to grind" and to stick to the facts. Since we have had little or no "push-back" relative to the work we have done to date, we feel we have done this pretty well. Our work is always quantified and exudes objectivity. The fact that you can use our theory and construct customized "tools" further adds to our claim of objectivity. See comments below on "culture sensitivity" for more on this.

•<u>Leads to a Targeted Action Plan</u> This is where surveys fail and our process scores…big time. One of the cornerstones of our process is the application of "exercises" that I'll talk more about under "methodology." The creation of the culture profile based on the data collection is what we call a social MRI. It is the imaging of your organization's culture. When your doctor does an MRI or applies some other imaging tool, if he or she sees anything that is not as it should be, they can craft a plan of therapy or surgery to correct the malady. The same applies with our diagnostic "tool." We even suggest specific exercises to enhance or enrich values that may be weak. Of course it is wise to apply exercises that work to improve more than one value and hopefully all of them. This is where the management skill comes into play. Once the "remedy" has been applied, you can re-measure to ascertain if what you have done has produced the desired improvement much like the doctor will go through the imaging process to see if what they have done has improved the situation.

•Culture Sensitive (One Size Does Not Fit All) One of the beauties of our approach is that it can take you from where you are to where you want to go. We have generic "tools" but we encourage people to come up with their own desired attributes, beliefs, and values and to create their own customized culture barometer and scorecard. Many of our clients have done that and the results have been rewarding. Because, we claim that: "The process is the product"; and, "This is not a new program, it is a new way to look at old programs." What this means is that you learn as you go and the deeper you dig, the more gold (figuratively speaking) you mine. We have found – not surprisingly – that customized products based on latent culture, specific businesses, and other factors that define uniqueness usually bare a strong resemblance to our generic products. But, the creation of the "tools", unique to the customer situation and circumstances, builds commitment and a deeper knowledge of the philosophy behind the methodology.

Modern management thinking -- that probably had some of its roots in Deming's work with Japanese car makers -- is that we should seek to "do it right the first time" rather than just adding layers of inspection. That is why so-called "Behavior-based Safety" has largely "flamed out." Most of the early advocates have even abandoned the use of the words since they have engendered such a bad taste in so many quarters. The resistance of such groups as the United Auto Workers (UAW) has been largely proven to be legitimate. In my published article (*The Antidote for Behavior-Based Safety*) I detail both the positives and negatives associated with the application of this thinking. The paper is available as a free download at our web site.

The goal is to have people do the right thing because they believe in it, not because they are being watched. We recognize that some inspection is always necessary but the goal should be to minimize -- not maximize – it.

The Methodology

The methodology works best when applied in the following sequence:

•Determine Goals Our "Performance Map" suggests that it is far better to work upstream on beliefs and values than it is to work downstream on behaviors. If you get the right values in an organization, the behaviors will take care of themselves. If you don't, you are constantly faced with re-training, more inspection and discipline…all of which are expensive and counterproductive. Our "Bridge Metaphor" suggests that there are many things associated with success patterns. Some of them are leadership, systems, programs, technology, compliance, and behaviors…as well as culture. How you do those things will determine your culture. If you do them well, you will encourage a good culture. What we suggest is that you should spend as much time – directly – on culture, as you do on those other things; since if you get the culture right, everything else gets easier. "Job 1" is to decide what you want to be. Then you can chart your course by first identifying the traits or characteristics you need to achieve your goals.

•Benchmark or Identify Necessary "Traits" When it comes to safety, we had projects to benchmark world-class safety and colleagues who had similar experiences. We drew on those experiences to compile a list of characteristics that all the organizations that had world-class safety had in common. For the general organization excellence attributes we drew on the writings of Jim Collins in his landmark books, *Built to Last* and *Good to Great* as well as other business book authors who examined excellent organizations starting with Tom Peters' *In Search of Excellence*. When we did the USA values, we drew on the Bill of Rights, The Constitution, and the writings of the Founders.

•Establish "Values"…Then Validate Them There would appear to be some skill necessary to come up with values that would tend to engender the desired organization characteristics and then word them at beliefs and finally as imperatives. It has not been hard for me to do and when I've constructed the correlation matrix, I've rarely had to make significant changes. Others have rarely questioned the values although they have struggled with certain other aspects of the application of the methodology. They have struggled with concentration and "selling" the concepts to people in the organization who felt challenged by the ideas; but there have never been significant concerns voiced over the attributes or values. When organizations have customized these, they have felt comfortable starting with the generic products and have usually not venture far from them…usually just adjusting words and making minor additions.

•Word As Imperatives When Ed Schein looked at my culture barometers he was most impressed with the wording of the values as imperatives. I had just done it without much deep thought. It just seemed like a good idea to simplify the process. But, after pondering his compliment, I have come to realize the power of just saying – in essence – "do it." The imperatives also add some "color" to whatever the subject and make the principle instantly understandable in simple language. The first general organization excellence belief is to believe that everyone has ideas and the potential to contribute something worthwhile no matter their station in an organization or life. It results in valuing everyone and the potential they have to contribute. So, "Never shoot the messenger," says it clearly and succinctly in a way that even adds dimension to the concepts, beliefs and values.

•Create "Maturity Grid" or Culture Barometer I got the idea of a maturity grid when I read Crosby's book, *Quality is Free*. But, I've greatly expanded and extended the concept. At first we used to use the maturity grid to collect data and it took 15-30 minutes for the respondent to read 50 or so boxes. When one client essentially said they just couldn't take that much time, we came up with the scorecard idea where we just write the highest and lowest maturity levels and offer a scale of zero to ten. I still think it is a good idea to do the full maturity grid and always encourage it or do it myself. You do start with full maturity and none and then go to the middle and suggest you are about half way there. Then you can fill in one or two levels on both sides of the middle. Again, "the process is the product" and doing this adds dimension to what you are trying to accomplish and demonstrates organization transparency.

•Use The "Culture Barometer" To Create A Scorecard This is the easy part. This is mostly a matter of graphic design and putting the scale and wording in a way that it is pleasing to the eye and easy to understand and use. We like what our designer has done and have used it as a template for years. But, we always encourage clients to use language and graphics that are familiar and comfortable for their users.

•Use The Scorecard to Collect Data This should be done by leaders who have been briefed on the process and who are prepared to be supportive and answer questions. We call these people "champions" and the goal is to make every member of the "team" a champion. There are always dissenters and if this process works, they either "get on board"; or, they are uncomfortable and leave. That is probably best for them and the organization.

•Use Data to Generate The Culture Profile Once the data is collected, it is a – relatively – simple matter to enter the data in and Excel spreadsheet and produce a chart. We encourage the use of a chart that is familiar to team members if they are accustomed to a particular type of

display. If they are not, we have favored a simple bar graph that most people quickly recognize and understand.

•Use The Culture Profile for Diagnosis & Provide Remedies or "Exercises for Improvement." This is the hard part but where the real benefits of the process are claimed. "The process is the product." And, so as you consider how to enrich your culture, those discussions and action plans will – in and of themselves affect your culture. Serious accidents or losses can dramatically change culture in very short periods of time. The best example is 9/11 where the world culture changed in minutes. We don't advocate dangerous or destructive ways to change culture. While the process can be quite complicated, we think the four basic steps are pretty straightforward. Here they are:

1. State the precept.
2. Explain the precept.
3. Use recognized role models to demonstrate the precept.
4. Do it over and over again in creative and compelling ways.

Here is what we mean by this four-step process:

1. This is simply stating the value as an imperative in places and in ways that the entire population can't miss it.
2. The precept should be explained in clear and simple terms so everyone can clearly see the benefits of living the principle. Those who don't agree will either need to be convinced or find another place to be where they can be more comfortable.
3. The eventual goal is to get universal "buy-in." That will take some time but can be achieved in 6-24 months. That has been demonstrated in large organization like *IBM* and *Chrysler Corporation*. "Champions" need to be recruited and empowered and supported by leadership and leadership needs to be seen as totally behind the initiative.
4. The first three steps need to be repeated over and over again in ways that are consistent with the way the given organization operates. Organizations with deep and effective cultures do this very well and one of the artifacts is usually even a language that is somewhat unique to their particular organization. Note that virtually anything that you do that affects culture can be described as an exercise. The "trick" is to do effective and efficient things that produce positive results. In the end, the only way to determine that is by re-measurement. Obviously, without a valid measurement system, that is impossible.

The Results

Our process has been used in over 100 organizations. One of the people who have used our work in three different organizations has described it as "a blinding flash of the obvious." A city in Tasmania, Australia had troubled labor relations. When they employed a new city manager and he assessed what was being done he concluded that the only thing he wanted to keep was the safety culture enrichment program. A family owned company experiencing troubling and growing workers compensation costs experienced a dramatic reduction in costs after applying values-driven safety. In the three years following the use of our IP they recorded paid and reserved claims at the end of the year that were below the one year before applying safety culture enrichment. An objective assessment indicated that the only meaningful change they had made was the safety culture improvement efforts.

Recently, *Turner Industries* Lake Charles Operations have celebrated record breaking safety performance and have credited their safety culture enrichment initiatives as being a significant factor in their accomplishments in the very hazardous contract maintenance work they do and in which they are the #1 provider in the USA.

Bush fires are a major concern as it relates to both property damage and fatalities in Australia. One of their most effective initiatives has been to use values-driven safety culture enrichment methods to enhance community cultures as it relates to both prevention and shared responsibility to respond to those exposures.

In almost 20 years and hundreds of applications, we have never had a negative experience reported to us.

The Conclusions

The single most important factor in performance improvement is culture and character. If you get that right, everything else becomes – relatively – easier. If you don't, you find yourself constantly "swimming upstream" against a stiff current.

The big myth of course is that you can't measure culture. Another myth is that people don't like to discuss their beliefs and values. That is true if those sensitive issues are handled insensitively; but, if they are respected, people welcome the opportunity to talk about the things that are most important to them. We have never found any reluctance to talk about organization values among team members. The question we have tried to answer is: "Why measure culture?" Here is one more attempt to provide an answer:

The answer is because "at the end of the day" it is almost always the only thing that **really** matters. In his book *Who Says Elephants Can't Dance*, Lewis Gerstner said, "I came to see, in my time at *IBM*, that culture isn't just one aspect of the game – it is the game." As we look at everything from small and large wars, to business successes and failures, to individual lives, values and resulting cultures drive everything. Culture does predict performance (outcomes). Just as "A man's character is his destiny", an organization or populations culture is its destiny.

Peter Drucker said, "If you can't measure, you can't manage." Others have similarly said things like, "What gets measured gets done." And, "What is measured improves." So, why don't we have good culture and character measurement systems? Could it be because Edgar Schein said in his *The Corporate Culture Survival Guide* that it couldn't be done? Dr. Edgar H. Schein -- the emeritus professor from the Sloan School at MIT -- is widely credited with inventing the term "corporate culture." He has said that – unfortunately -- "culture can't be measured." We have proved it can be. Dr. Schein has also said, "The only thing of real importance that leaders do, is to create and manage culture. If you do not manage culture, it manages you." We agree with him there. Whether we look at *NASA's* failures with the Columbia and Challenger, the credit-default swap debacle, the Fukushima tragedy, concussions in the NFL, the Newtown/Sandy Hook School shootings, the *BP* Gulf Coast disaster or even the *Penn State*/Joe Paterno child sex abuse scandal, when we drill down or look at the extensive causation analyses that have been done, we reach the same conclusion: It was the culture!

When we measure, using a system grounded in unassailable rudiments, we force the discussion of important facts and shine a spotlight on opportunities for improvement. That just doesn't happen

very often; or very well…if we don't come up with a measurement system. We have one: It is scalable, and it works.

What You Can Do & What We Can – And Will – Do

You owe it to yourself and your organization to think deeply about this important subject. You should try our process or something you have found elsewhere and/or devised yourself. We will provide attendees at the PDC with a scorecard accompanied with explanations. Readers of this paper who want to use our "tools" can contact us at dje@culturethesos.com and we will honor any reasonable request to use our IP and provide the scorecards and other materials in digital form. Although our materials are copyrighted we have never denied any reasonable request to use them and freely give that permission in writing.

Bibliography

We could create a bibliography as long as this paper and have done so in our book *Values-Driven Safety*. But, when it comes to the measurement of culture, that is the theme of this paper, precious little has been written about the subject. So, there are no references we can provide.

Virtually every book or article written about safety or organization development is littered with the word culture. That has rendered it a cliché -- trite and hackneyed. But it is rarely well defined and measurement is virtually never suggested or certainly not offered. So, this is probably the only place you will find new and useful information on describing and quantifying culture.

Analysts for the Office of the Inspector General (OIG) of the Department of Defense (DOD) spent months looking for "tools" to quantify safety culture that they could endorse and concluded that the only two systems they could recommend were ours and one advocated by the *Keil Centre Ltd.* in the UK. In private discussions they said that our system was more user friendly, adaptive, and scalable…so critical to universal application and acceptance or "buy-in" that is essential for success.