Organizational Culture Inventory®/ Organizational Effectiveness Inventory®

Is Your Organization's Culture an Asset or a Liability?

Managing culture is among the most important—and most difficult—challenges facing organizational leaders. Stories about corporate cultures—as well as the people behind them—frequently appear in business publications and the news. At one extreme are the managers who create cultures that provide clear competitive advantages for their organizations. At the other extreme are the managers who, perhaps inadvertently or unknowingly, promote cultures that drive their companies out of business. All companies have cultures. The question is whether your organization's culture represents an asset or liability.

The *Organizational Culture Inventory*® (OCI®) developed by Drs. Robert A. Cooke and J. Clayton Lafferty and *Organizational Effectiveness Inventory*® (OEI) developed by Cooke provide reliable and valid information on the culture that should be driving members' behaviors, the culture that is currently driving members' behaviors, the factors that create and reinforce the Current Culture, and the outcomes that result from that culture. Based on this information, leaders and other organizational change agents can:

- Determine whether the organization's culture is an asset or a liability.

- Identify targets for change and improvement.

- Pinpoint levers for achieving internal alignment between the organization's mission, vision, and values, on the one hand, and its actual day-to-day operating culture, on the other.

- Quantify the impact of change initiatives and interventions.

The OCI and OEI are also used by educational institutions for student projects and academic research. Accreditation from Human Synergistics is required to use the OCI/OEI Feedback Report.
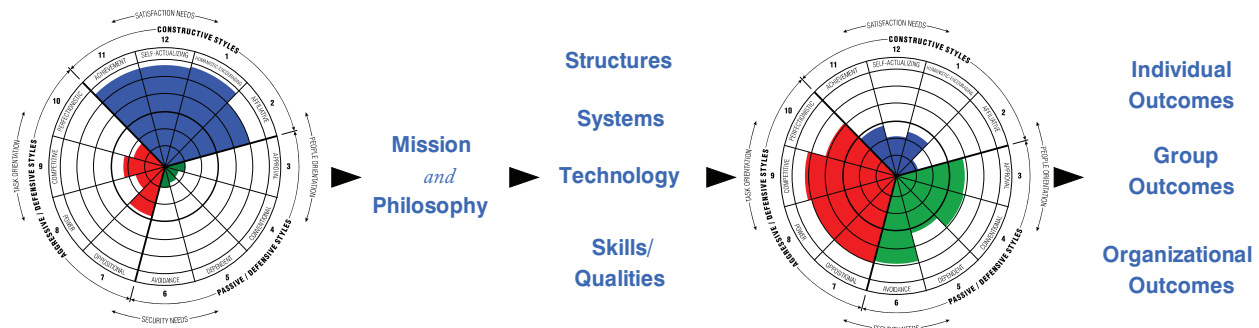
TAPPING THE CODE FOR SUCCESS—AND SURVIVAL: HOW CULTURE REALLY WORKS

Understanding that culture is important is critical. But knowing how to manage it is what determines whether your organization's culture is an asset or a liability.

The values, mission, and philosophies of an organization help to define what its operating culture should look like. However, such statements do not directly impact "how things really work around here." Instead, the norms and expectations that define the operating culture are directly influenced by those factors that people deal with on a regular basis—such as the organization's systems, structures, and technologies, as well as the skills and qualities of its people, including its leaders. When these factors are in alignment with the organization's values, then the operating culture looks very much like the Ideal. When these factors differ from espoused values, then the operating culture looks different from the Ideal.

The OCI measures both values and norms. The OEI measures the internal factors that influence culture and the outcomes that result from culture. The results are presented together in a comprehensive feedback report that tells the story of how an organization's culture really works. Based on members' responses, it describes how the current culture evolved (via causal factors), where disconnects exist between values (Ideal Culture) and norms (current operating culture), and the impact of the current operating culture on outcomes.

"How Culture Works" Model

OCI	OEI	OCI	OEI
Ideal Culture *Values*	**Causal Factors** *Levers for Change*	**Operating Culture** *Norms*	**Outcomes** *Effectiveness Criteria*

Mission
and
Philosophy

Structures

Systems

Technology

Skills/
Qualities

Individual
Outcomes

Group
Outcomes

Organizational
Outcomes

Copyright © 1997 by Robert A. Cooke, Ph.D.

THE CAUSAL FACTORS THAT DRIVE CULTURE

The OEI measures 31 specific factors that are causally related to culture. These factors are organized into five general categories:

- Mission and Philosophy, in terms of the extent to which they are clearly articulated and focus on customer service.

- Structures, in terms of the extent to which they permit (or restrict) influence, empowerment, and employee involvement.

- Systems, in terms of the motivational nature and fairness of human resource management, appraisal and reinforcement, and goal-setting systems.

- Technology, in terms of the extent to which jobs are characterized by autonomy, skill variety, significance, task identity, feedback, and interdependence.

- Skills/Qualities, in terms of communication, leadership, and sources of power.

Each client's "all respondent" results are compared to Historical Averages (based on 1,084 organizational units) and Constructive Benchmarks (based on 172 organizational units with predominantly Constructive operating cultures). These comparisons help identify drivers of the Current Culture and potential levers for culture change.

Technology (Job Design)
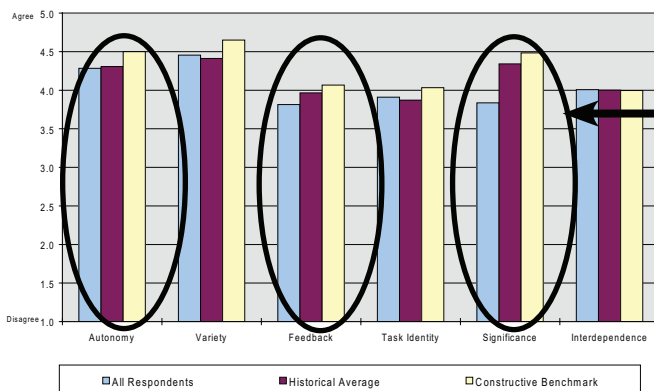
Causal factors that are below both the Historical Average and Constructive Benchmark are likely promoting norms for counterproductive, Defensive (rather than Constructive) behaviors. If a more productive culture is desired, these could be levers for change.
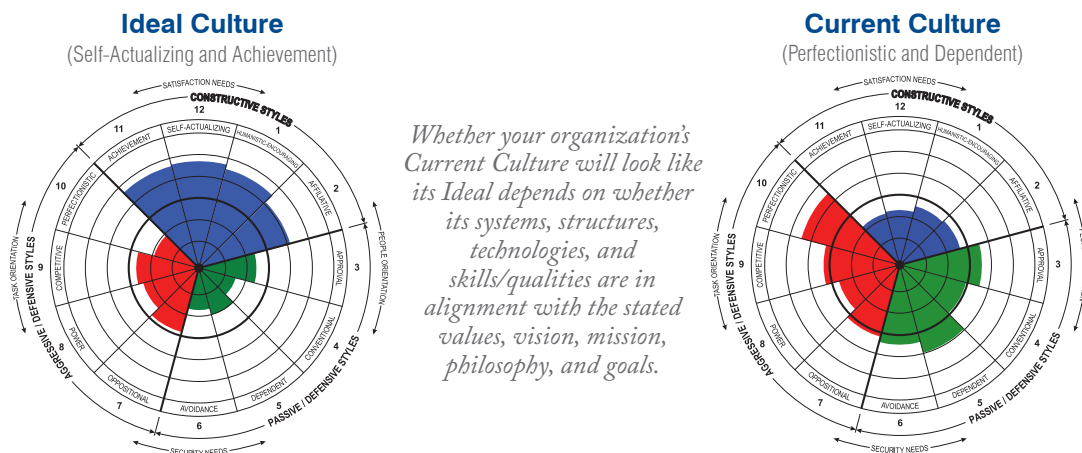
☐ All Respondents   ■ Historical Average   ☐ Constructive Benchmark

human synergistics
® INTERNATIONAL

IDEAL VERSUS CURRENT CULTURE

The OCI can be used to assess both an organization's operating culture in terms of the behavioral and personal styles that are expected (i.e., behavioral norms) and its Ideal Culture in terms of the behaviors and personal styles that should be expected (i.e., espoused values). Both Current and Ideal OCI results are plotted on a normed circumplex that compares an organization's scores (or the scores of its units) to those of over 900 other organizational units (e.g., departments and divisions).

The OCI measures 12 different cultural styles that reflect three general types of cultures:

- Constructive cultures, in which members are encouraged to interact with others and approach tasks in ways that will help them to meet their higher-order satisfaction needs (includes Achievement, Self-Actualizing, Humanistic-Encouraging, and Affiliative cultures).

- Passive/Defensive cultures, in which members believe they must interact with people in defensive ways that will not threaten their own security (includes Approval, Conventional, Dependent, and Avoidance cultures).

- Aggressive/Defensive cultures, in which members are expected to approach tasks in forceful ways to protect their status and security (includes Oppositional, Power, Competitive, and Perfectionistic cultures).

The 12 styles and three general types of culture are described in detail in the feedback report and the OCI *Interpretation & Development Guide*™.

Ideal Culture
(Self-Actualizing and Achievement)

Current Culture
(Perfectionistic and Dependent)

Whether your organization's Current Culture will look like its Ideal depends on whether its systems, structures, technologies, and skills/qualities are in alignment with the stated values, vision, mission, philosophy, and goals.

OUTCOMES OF CULTURE

When an organization's systems, structures, technologies, and skills/qualities are in alignment with the stated values, vision, mission, philosophy, and goals, its operating culture tends to closely reflect its Ideal Culture and desired outcomes are achieved. However, when these factors are not in alignment, the operating culture usually looks quite different from the Ideal and, as a result, leads to outcomes that are not desired by the organization.

The OEI measures 12 specific outcomes associated with long-term effectiveness. These outcomes are organized into three general categories:

- Individual outcomes, in terms of the extent to which culture promotes positive (e.g., role clarity, motivation, satisfaction, and intention to stay) versus negative (e.g., role conflict, stress, and job insecurity) member attitudes and states.

- Group outcomes, in terms of the extent to which integration and coordination is effectively achieved both within and between organizational units.

- Organizational outcomes, in terms of the organization's product/service quality and its ability to adapt to changes in its environment.

MAPPING A COURSE FOR CHANGE

The feedback report compares an organization's results to the Historical Average and Constructive Benchmark. In general, organizations with predominantly Constructive operating cultures score better than the Historical Average along most, if not all, of the OEI outcome measures. In contrast, organizations with Defensive cultures usually score relatively poorly along several of these measures.

Group Outcomes
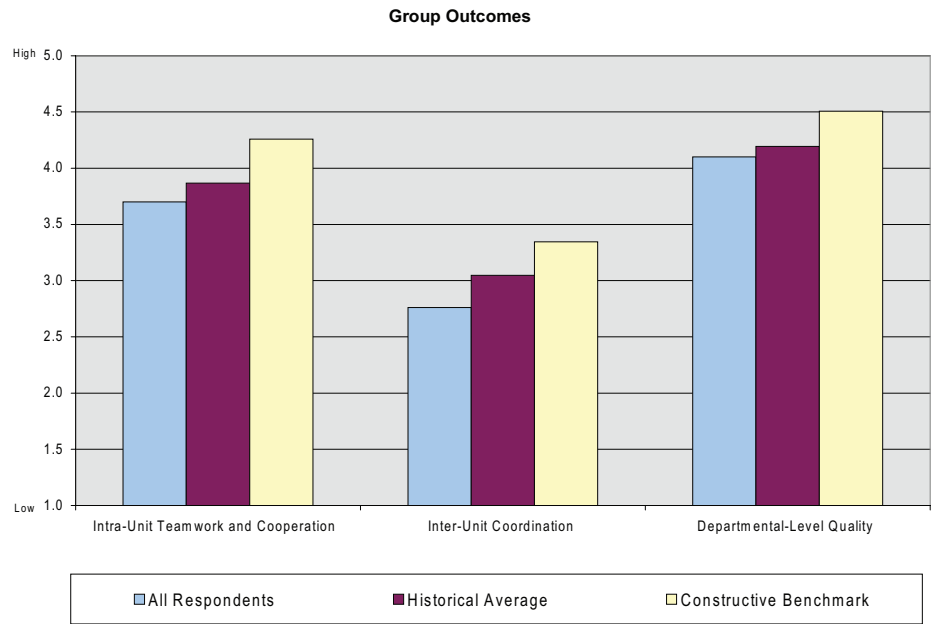
Part of the feedback report focuses on how to use the results to plan for improvement. The gaps between an organization's OEI scores and the Historical Averages as well as the gaps between the Current and Ideal Cultures are highlighted to identify goals, targets, and levers for culture change.

Gap Barchart of Outcomes

The barchart shows that the majority of outcomes in this example are below the Historical Average. These results indicate a strong need for change and improvement.

human synergistics
INTERNATIONAL
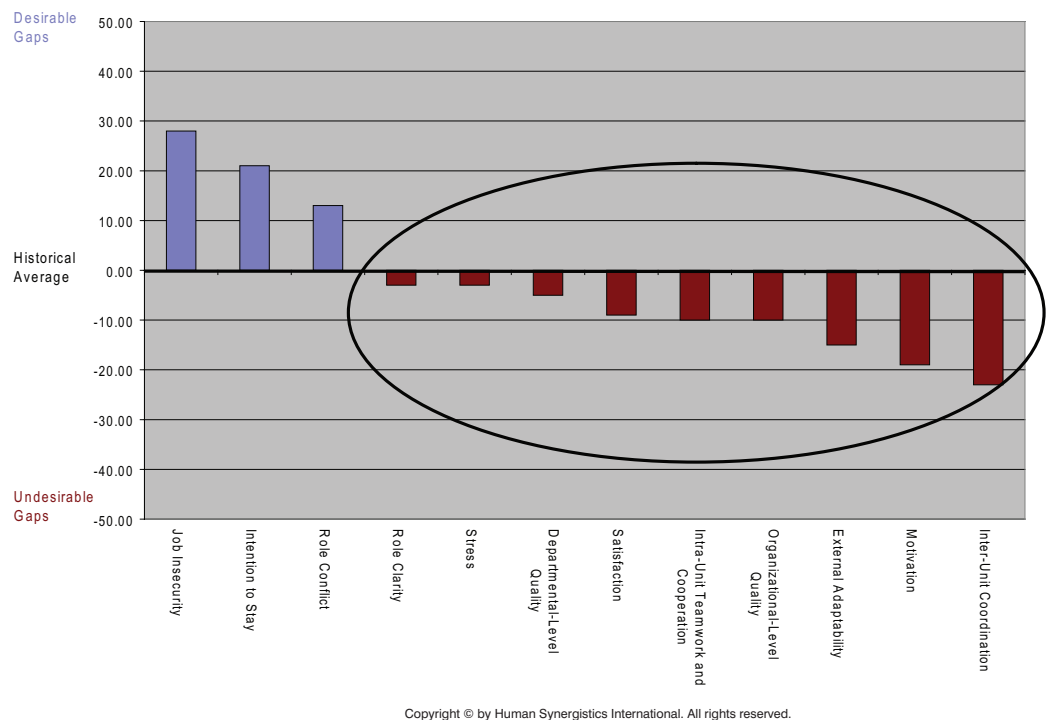
Gaps Between Current and Ideal Cultures

In this example, all of the gaps between the Current and Ideal Culture profiles are in an undesirable direction. Thus, targets for change could focus on the most undesirable gaps or on the styles most strongly related to the outcomes goals for change.
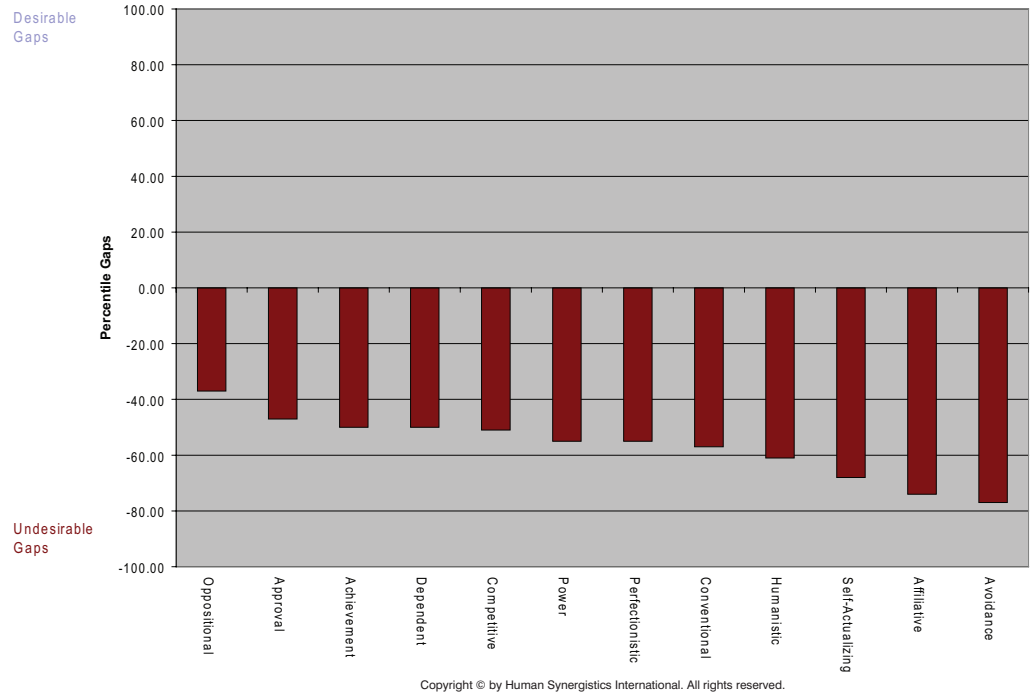
Gap Barchart of Causal Factors (Levers for Change)

Causal factor results that are below the Historical Average are inconsistent with the organization's Constructive Ideal Culture profile and therefore represent potential levers for change.
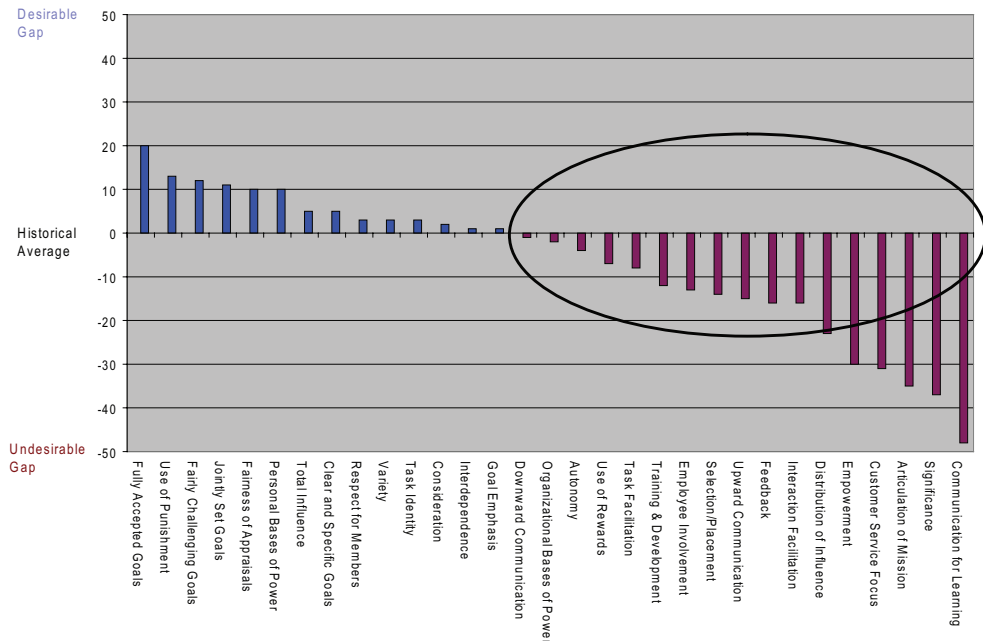
PUTTING IT ALL TOGETHER

The OCI/OEI Feedback Report includes an Executive Summary that highlights key findings. The summary also includes a visual synopsis of the organization's OCI and OEI results, which can be used to quickly identify the causes and effects of any culture gaps and disconnects.

Summary of OCI/OEI Results

Ideal Culture (Section 2) → **Causal Factors (Levers for Change)** (Section 3) → **Operating Culture** (Section 4) → **Outcomes** (Section 5)

Ideal Culture
Humanistic and Achievement

Mission and Philosophy
▼ Articulation of mission
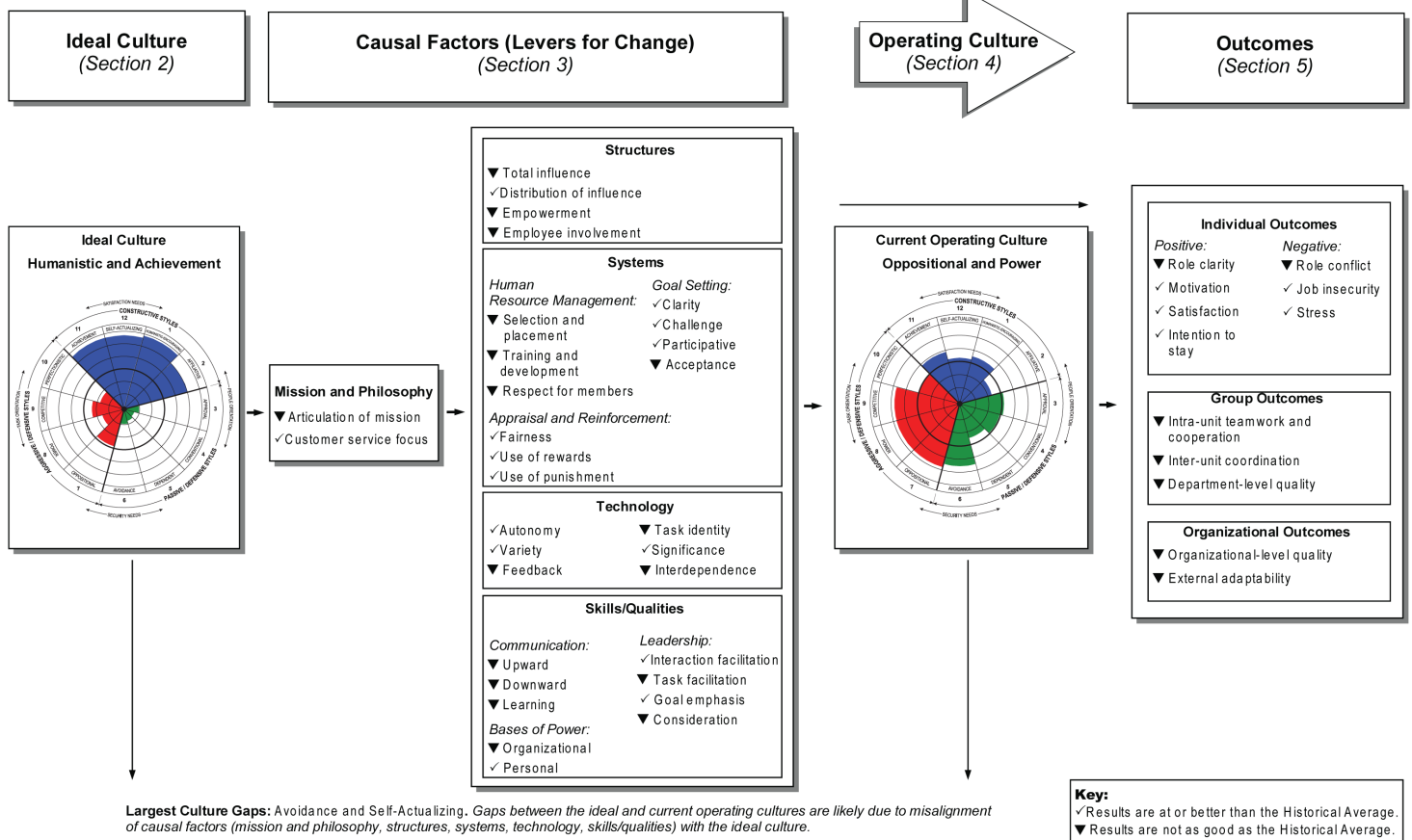✓ Customer service focus

Structures
▼ Total influence
✓ Distribution of influence
▼ Empowerment
▼ Employee involvement

Systems
Human Resource Management:
▼ Selection and placement
▼ Training and development
▼ Respect for members

Goal Setting:
✓ Clarity
✓ Challenge
✓ Participative
▼ Acceptance

Appraisal and Reinforcement:
✓ Fairness
✓ Use of rewards
✓ Use of punishment

Technology
✓ Autonomy
✓ Variety
▼ Feedback
▼ Task identity
✓ Significance
▼ Interdependence

Skills/Qualities
Communication:
▼ Upward
▼ Downward
▼ Learning

Leadership:
✓ Interaction facilitation
▼ Task facilitation
✓ Goal emphasis
▼ Consideration

Bases of Power:
▼ Organizational
✓ Personal

Current Operating Culture
Oppositional and Power

Individual Outcomes
Positive:
▼ Role clarity
✓ Motivation
✓ Satisfaction
✓ Intention to stay

Negative:
▼ Role conflict
✓ Job insecurity
✓ Stress

Group Outcomes
▼ Intra-unit teamwork and cooperation
▼ Inter-unit coordination
▼ Department-level quality

Organizational Outcomes
▼ Organizational-level quality
▼ External adaptability

Largest Culture Gaps: Avoidance and Self-Actualizing. *Gaps between the ideal and current operating cultures are likely due to misalignment of causal factors (mission and philosophy, structures, systems, technology, skills/qualities) with the ideal culture.*

Key:
✓ Results are at or better than the Historical Average.
▼ Results are not as good as the Historical Average.

Copyright © 1997 by Robert A. Cooke, Ph.D.

OPTIONS FOR CUSTOMIZING THE OCI/OEI

Translations
HSI assessments are available in over 25 languages. For a complete list of available translations, please refer to www.humansynergistics.com

Add Up to 40 Custom Questions
The paper scan-form and internet data collection versions of the OCI have space available for up to 40 supplementary questions designed by the client organization. This feature enables clients to collect information on initiatives and processes specific to the organization. Means and standard deviations for these items are then reported at the "all respondent" level.

Subgroup Analyses
Upon request, OCI/OEI results can be broken down by subgroups for which there are at least five respondents. The subgroup results enable an organization to determine the pervasiveness of the organizational findings, identify subgroups in which culture change interventions might first be initiated, and coordinate improvements between the organizational and subgroup levels.

Mission and Philosophy (Subgroups)
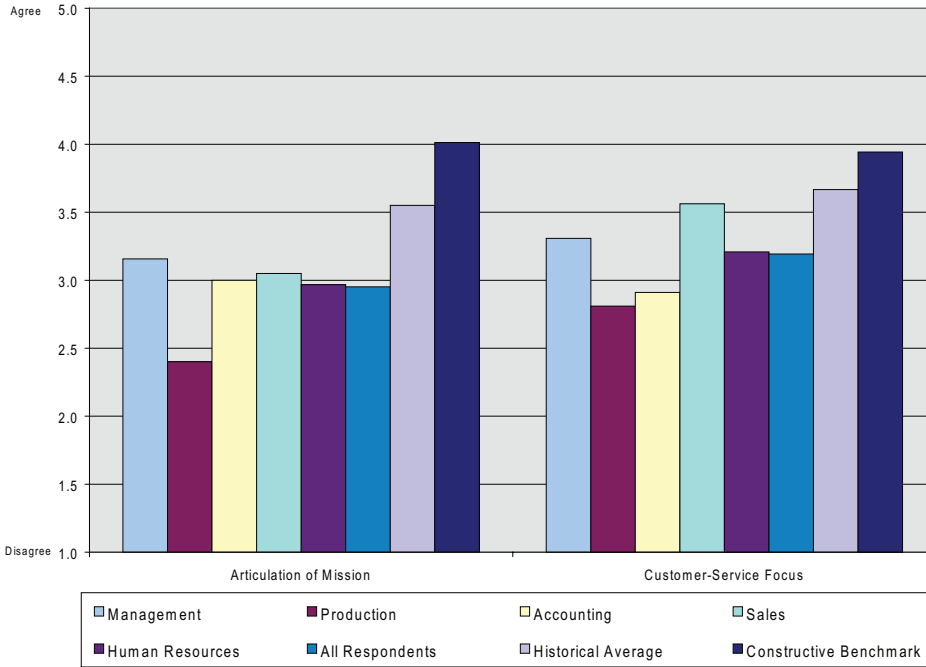
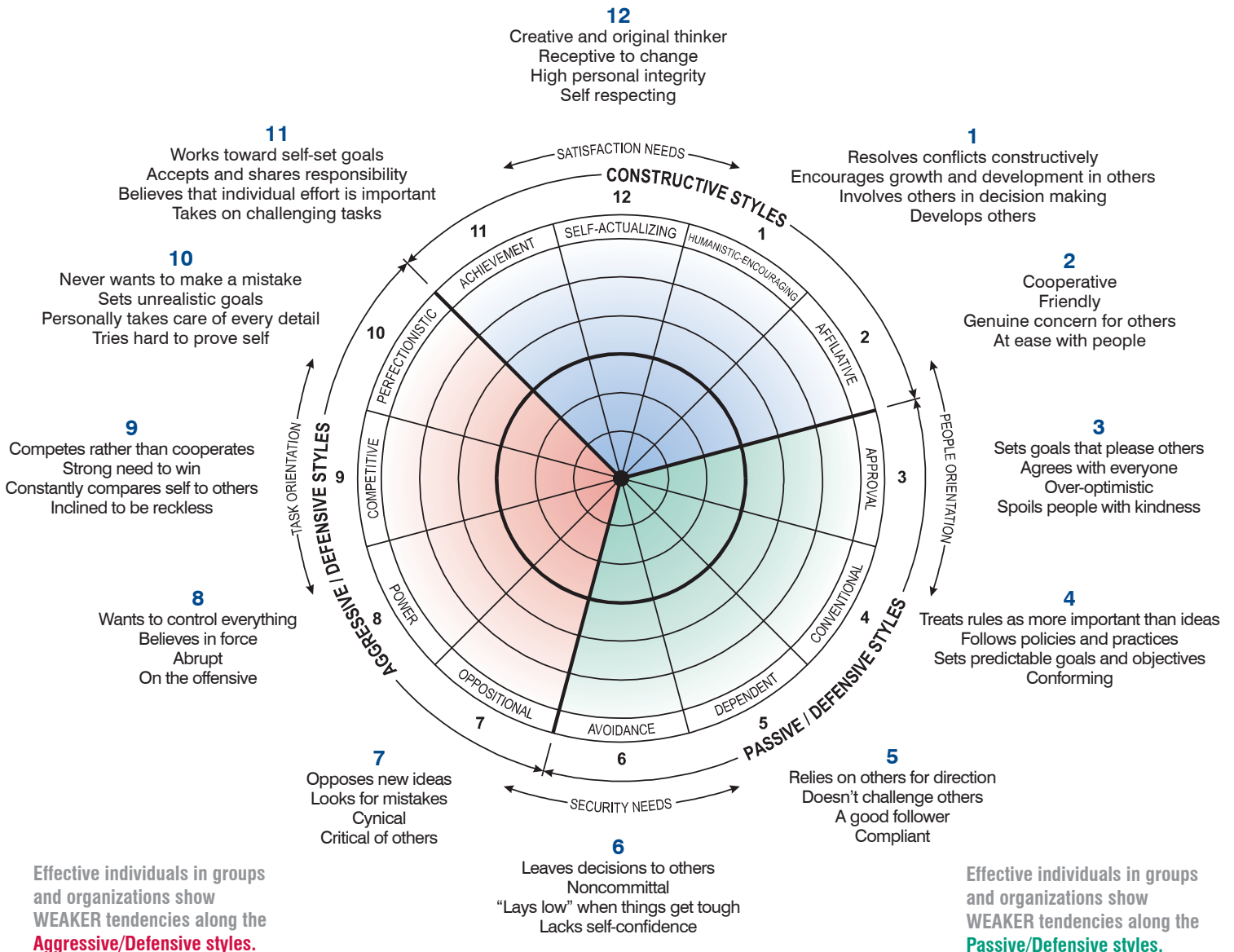*Causal factor and outcome results for each subgroup are presented in barcharts and tables.*

About the Circumplex

Human Synergistics International's Circumplex provides a way to "see" what drives the performance of individual contributors, leaders, work teams and, in short, the entire organization. It illustrates the factors underlying performance in terms of 12 styles of thinking and behaving. Some styles lead to effectiveness and productivity; some do not. Regardless of their impact, they all describe what's happening inside the organization and provide a direction for change and development.

Effective individuals in groups and organizations show STRONGER tendencies along the **Constructive styles.**

12
Creative and original thinker
Receptive to change
High personal integrity
Self respecting

11
Works toward self-set goals
Accepts and shares responsibility
Believes that individual effort is important
Takes on challenging tasks

1
Resolves conflicts constructively
Encourages growth and development in others
Involves others in decision making
Develops others

10
Never wants to make a mistake
Sets unrealistic goals
Personally takes care of every detail
Tries hard to prove self

2
Cooperative
Friendly
Genuine concern for others
At ease with people

9
Competes rather than cooperates
Strong need to win
Constantly compares self to others
Inclined to be reckless

3
Sets goals that please others
Agrees with everyone
Over-optimistic
Spoils people with kindness

8
Wants to control everything
Believes in force
Abrupt
On the offensive

4
Treats rules as more important than ideas
Follows policies and practices
Sets predictable goals and objectives
Conforming

7
Opposes new ideas
Looks for mistakes
Cynical
Critical of others

5
Relies on others for direction
Doesn't challenge others
A good follower
Compliant

6
Leaves decisions to others
Noncommittal
"Lays low" when things get tough
Lacks self-confidence

Effective individuals in groups and organizations show WEAKER tendencies along the **Aggressive/Defensive styles.**

Effective individuals in groups and organizations show WEAKER tendencies along the **Passive/Defensive styles.**

Research & Development by Robert A. Cooke, Ph.D., and J. Clayton Lafferty, Ph.D. Copyright © by Human Synergistics International. All Rights Reserved.

human Synergistics®
INTERNATIONAL

*Changing the World—
One Organization at a Time®*