

Change Management

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PMG323

Lecture 7



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- Introduction
- Culture change definition
- The trigger for a culture change
- The importance of measuring culture change
- The techniques of measuring culture change

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Change Management

This subject is about making sense of change management. The world we live in continues to change at an intense rate. Not a day goes by, it seems, without another important discovery or boundary-pushing invention in the scientific fields. The economics of globalization seems to dominate much of our political and corporate thinking, while the shadow side of globalization— develops at an equally alarming pace.

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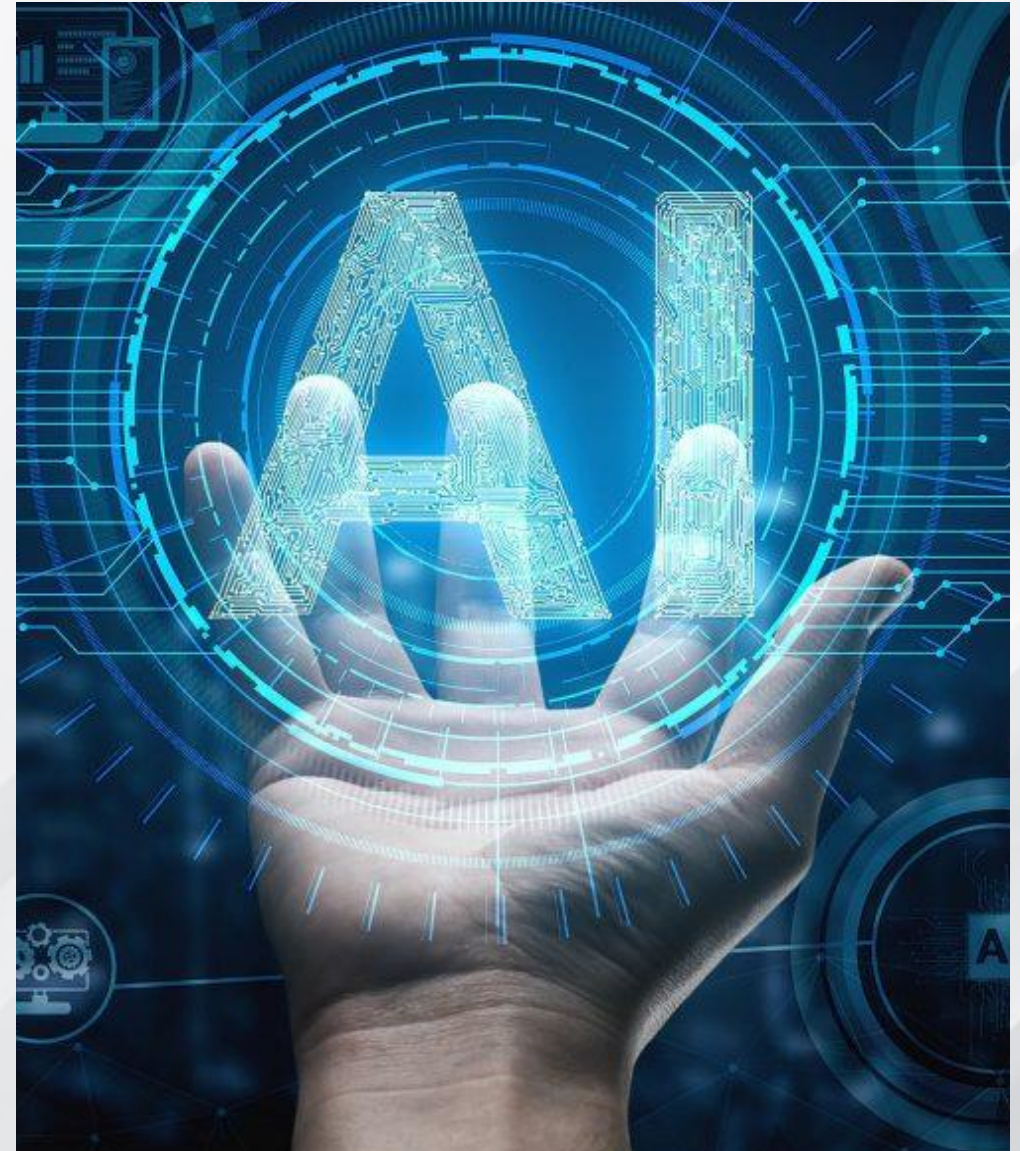
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Culture change definition

Culture change, also referred to as cultural transformation, is a set of activities an organization undertakes to change the behaviors and mindsets of employees to achieve strategic goals. A culture change is usually a gradual process that can be observed over a medium to a long period of time.

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The trigger for a culture change

The trigger for a culture change is when the current culture of the business doesn't align with its vision, mission, core values, and strategic objectives. This misalignment indicates to the leadership that the culture has become a barrier to achieving the organization's goals.

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The importance of measuring culture change

Culture change is a big undertaking, which requires a lot of effort and big investments in terms of resources. It requires a focused effort of leadership, management, and employees over a long period. If done correctly, it can have a monumental outcome for your employee experience and the business results.

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The importance of measuring culture change

For this reason, measuring culture change is necessary to know how the business is progressing and what impact the transformation has on the business.

Measuring culture change requires a mixture of quantitative metrics and qualitative techniques. By measuring culture change, it's able to the following:

The importance of measuring culture change

1- Evaluating the success of the initiatives

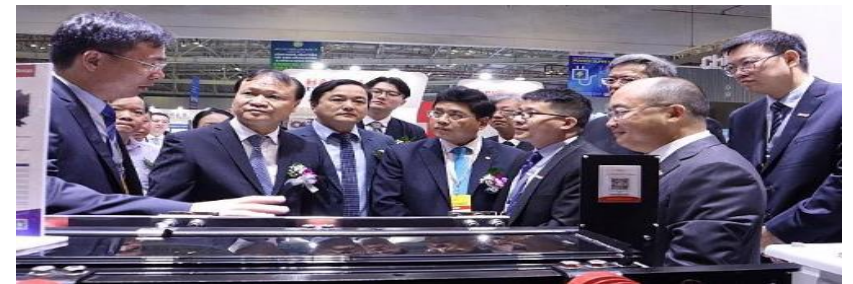
It could assess if the culture change initiative has the desired impact. As you're investing a lot of resources and effort into creating culture change, you need to understand if it's bringing you the results you expected, and if not, why not.



The importance of measuring culture change

2- Showcasing the results

It could show the impact the culture change has on your business in a measurable way, which helps you speak the business leadership language. Cultural change requires a time and money investment, so showing the outcome and results is essential.



The importance of measuring culture change

2- Showcasing the results

Alongside organizational structural changes, Microsoft's CEO Satya Nadella had the goal to transform the culture to ensure they reach their goals. A new Microsoft vision was developed, which was "to empower every person and every organization on the planet to achieve more."

Prior to the restructure, employees lacked a sense of purpose, and engagement scores were quite low. Through various culture initiatives and realignment of their purpose, Microsoft was able to get back on track. One of the outcomes was notable stock price growth:

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The importance of measuring culture change

2- Showcasing the results



The importance of measuring culture change

3- Uncovering points of improvement

If the desired results aren't there, you can use data to look into what I could improve and how to cement the culture change further. By understanding how your transformation is progressing, it can uncover obstacles in the internal and external environment.

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The techniques of measuring culture change

Measuring company culture, as well as measuring culture change, is not easy. It has to identify how to translate the culture into measurable elements, and if there is a need to measure the outcomes of the change. Here are some ways to measure culture change:

The techniques of measuring culture change

1. Identify KPIs relevant to your culture change goals



Rome was not built in a day, and so too changing corporate culture is not a quick fix. A KPI (key performance indicator) provides a quantifiable measure of your culture change over a period of time. It indicates the milestones along the way to let you know you're on track and acts as a benchmark to provide insights to make better decisions in the future.

The techniques of measuring culture change

2. Use the Organizational Culture Assessment Instrument (OCAI)

The Organizational Culture Assessment Instrument helps you identify what your company culture is like and how it differs from your desired organizational culture. You can also use the assessment to measure culture change over time by comparing the before and after results.

The techniques of measuring culture change

2. Use the Organizational Culture Assessment Instrument (OCAI)

Developed by Kim Cameron and Robert Quinn, the tool identifies four types of company culture. The company culture exists “along with a competing values framework,” which are:

Flexibility & Discretion vs. Stability & Control

Internal Focus & Integration vs. External Focus & Differentiation

The techniques of measuring culture change

3. Use the Organizational Culture Inventory

The Organizational Culture Inventory (OCI) is another diagnostic tool that enables you to measure culture change. It uses over 35 years of research and measures the attributes of company culture relayed to the behavior and performance of employees. After completing a survey, it reveals the collective beliefs in the organization, behavioral norms, and thus the foundations for culture change.

The techniques of measuring culture change

4. Keep track of your Glassdoor ratings

It could see how the Culture & Values rating is developing on Glassdoor throughout a specific period of time. This indicates how the employees' perception of the company's culture is changing.

The company ratings on Glassdoor are based on recent employee feedback, which is calculated through a proprietary rating algorithm. The more recent the review, the heavier its weight on your company's rating. So, it's a good measure to understand if any recent culture initiatives have shifted your ranking.

A Glassdoor ranking looks something like this:

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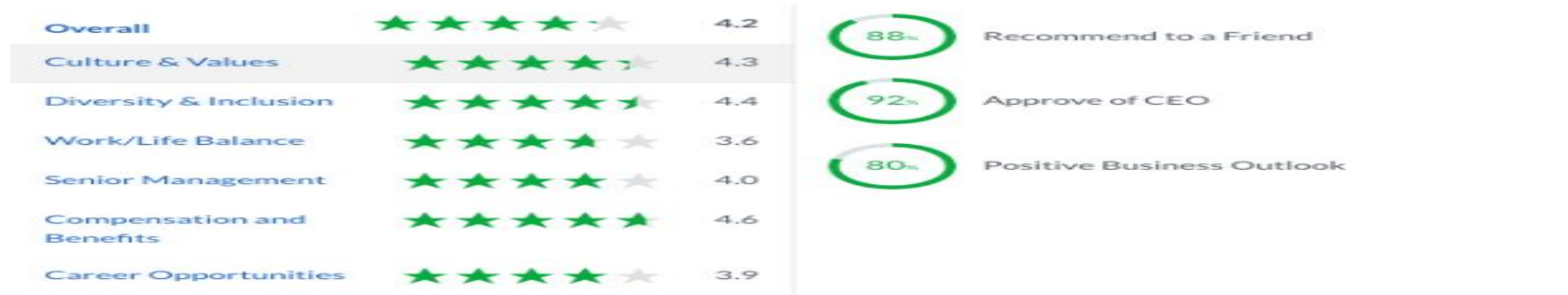
The techniques of measuring culture change

4. Keep track of your Glassdoor ratings

Netflix Ratings and Trends

About Glassdoor ratings

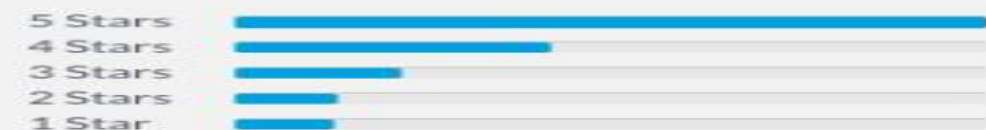
Ratings may vary depending on what filters are applied, but ratings include reviews in all languages. [Learn More](#)



Culture & Values Trend



Culture & Values Distribution



The techniques of measuring culture change

5. Conduct a sentiment analysis

Sentiment analysis is increasingly used in HR to understand what employees are thinking. A variety of text-based data like onboarding and offboarding feedback, performance reviews, etc., is analyzed through dedicated software. It can help you see how employees perceive your organization's culture.

For example, suppose the goal of your culture change is to promote the feeling of belonging with the ultimate goal of retaining a diverse workforce. In that case, you can analyze the sentiment around this (next to your retention data).

The techniques of measuring culture change

5. Conduct a sentiment analysis

Sentiment analysis software analyses a variety of qualitative sources:

Diary notes / comments

Performance feedback check-ins

Offboarding data

Compliance policies

Policy updates

Client feedback

Any textual records

Employee survey feedback

The techniques of measuring culture change

5. Conduct a sentiment analysis

Through the use of Natural Language Processing (NLP), the combinations of phrases and words from the above sources are classified into positive, negative, or neutral and scored on a scale from -1.0 to +1.0. Here is an [example from intelliHR](#):

The techniques of measuring culture change

5. Conduct a sentiment analysis

FIGURE 1. Examples of phrases and their assigned numerical sentiment score.



The techniques of measuring culture change

6. Organize a focus group

An employee focus group is an effective way to have a moderated discussion to gather specific feedback on your company culture. To measure whether there has been any culture change through your focus group, conduct them periodically and note any changes. You would be able to notice the changes through the analysis of your focus group's results (identify key trends; analyze actual quotes from the focus group; develop a formal report). Some examples you might ask include:

The techniques of measuring culture change

6. Organize a focus group

What company culture shifts have you noticed in the past quarter?

How would you describe internal communication in this company? (If your goal has been to improve internal communication)

How does the company help you with your professional development? (If your goal is to improve the learning culture)

The techniques of measuring culture change

6. Organize a focus group

How would you define the leadership in the company?

How do you believe the company defines success?

Do you feel the company is committed to diversity and inclusion?

You should formulate the questions based on the culture change you want to observe. And the same questions should be asked again after a defined period of time so that you can compare results and measure culture change.

The techniques of measuring culture change

7. Measure your eNPS

Employee net promoter score (eNPS) is frequently used to measure employee engagement in a survey. Employees answer the question “On a scale from 1-10, how likely are you to recommend this organization as a place to work?” or “Based on your experience, how likely are you to recommend our organization to a friend or colleague?”

Improvements in your eNPS might be a good indicator of the success of your culture change efforts.

The techniques of measuring culture change

8. Employ a dedicated culture measurement tool

Dedicated culture measurement tools are also useful when measuring culture change at your organization. Some of them include:

[CultureAmp](#) is a powerful platform that uses continuous listening, feedback, and various development tools to improve employee engagement and performance over time. The various metrics provided by CultureAmp can measure the success of your culture efforts over time.

The techniques of measuring culture change

8. Employ a dedicated culture measurement tool

[Perceptyx](#) uses employee surveys, social listening, and people analytics to gather insights within the organization. It is a useful tool to turn your culture data into insights and measure change over time.

The techniques of measuring culture change



The techniques of measuring culture change

The ways you choose to measure culture change will depend on the goals you've set for the transformation. Combining several methods of measuring culture change will give you an excellent insight into the impact your change initiatives have had.





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Thank You

