**ANGELA SINICKAS:** Developing surveys to measure the impact of corporate culture

Corporate culture can help drive business results, but it takes a cultural audit to differentiate which elements of the culture can lead to superior performance.

Angela Sinickas conducts employee engagement surveys that are specifically designed to measure the correlation between employee behaviors and attitudes that define an organization’s culture and its financial results. “The key is to ask the right questions,” she says. The questions are developed in two categories: behaviors defining outcomes with financial value and behaviors and attitudes describing inputs that could affect those outcomes.

**Two categories of survey questions**

1. The first category of questions measures positive behavioral outcomes that the organization needs in order to succeed. Some of these have immediate financial value, such as employees’ ratings of their own productivity or intention to stay with the organization. Other outcome questions are harder to quantify financially, such as self-ratings of employees’ commitment to help the company succeed or the likelihood of recommending their organization as a great employer to their friends. However, all these are specific employee behaviors that define an engaged workforce and will lead to better financial results.

2. The second category of survey questions measures the current extent of cultural factors likely to contribute to those positive outcomes. Obviously these have to be tailored to the type of work the organization does. Some examples are, “To what extent do you feel you have the opportunity to provide upward information or feedback?” or “To what extent are people treated with respect?”

**Identifying key variables**

The entire process depends on identifying the key outcome questions and the potential cultural variables at a specific organization that might lead to those outcomes. Sinickas’ methodology begins with qualitative research in order to identify the unique characteristics for each organization that help to drive business performance and achieve results.

- **Executive interviews.** Start by asking executives what behavioral outcomes they want to see and what they think makes working at this place special. What goes into making people more focused, more productive and more committed to quality or customers?

- **Employee focus groups.** The next step is to ask employees the same questions. Give them the opportunity to say in their own words what factors they think drive the company’s success. Ask why they either want to be there or what changes would increase their commitment to the company’s success. Getting people to discuss open-ended questions such as, “What makes working for this company better than working for your last company?” or “Why did you choose to work at this company rather than our competitors?” reveals the value-adding characteristics of the culture.

In addition to using this qualitative research, a cultural survey should also incorporate survey questions measuring the extent to which the company’s stated mission, vision and values are reflected in current management and employee behaviors. “That’s how the company is saying what it’s all about, so you can measure whether management and staff are living up to the company’s stated values,” says Sinickas.

For example, one merged corporation had launched its new mission and values with a big splash. Many employees asked during meetings how the company would know if and when it was fulfilling the mission and values. Sinickas measured this by structuring a cultural survey around these stated values. The survey was divided into sections, using the three parts of the mission and the values as headlines so employees would visibly
connect the survey with the mission and values. Each section included behavior questions related to a particular value. “The hardest section was coming up with questions for the value of ‘sense of humor.’ We had to decide whether to have serious or funny questions about humor.”

**Asking questions that focus on frequent behaviors**
Sinickas likes to define corporate culture as, “How we do things around here,” so she develops survey questions around behaviors and practices rather than feelings or perceptions. This means finding out how frequently managers and employees exhibit certain desirable behaviors rather than how happy people are with them.

Rather than asking a satisfaction question, “To what extent do you agree or disagree that your supervisor treats you with respect?” it’s more valuable to ask, “How often does your supervisor treat you with respect?” The focus on frequency reveals what is occurring in the culture, rather than the interior satisfaction levels of individuals. “A company can influence what people are doing at work, but it takes a psychiatrist to change someone’s satisfaction with life,” says Sinickas.

**Measuring the findings against business results**
Besides correlating “input” behaviors with “outcome” behaviors, surveys can also find correlations between survey results and the actual business performance measures. “In order to measure the correlation between cultural factors and business results, the demographic questions on the survey need to match up with the types of units or geographies by which financial performance is measured,” says Sinickas. “Without the exact same breakdowns, it isn’t possible to overlay one set of variables over the other.”

The process is straightforward. “For example, you could code actual productivity levels for various plants or call centers on a scale of one to five. These financial data are then input into the survey results as if all the employees in a particular location had answered a survey question on their unit’s productivity. These data are then analyzed for statistical correlations,” she says.

Another possible performance measure to correlate is employees’ performance ratings. An individual’s rating can be asked as a demographic question on the survey, or input directly into the data, depending on whether employees sign into a survey anonymously or by using their employee identification numbers. She cites an example:

> “When each employee at one company signed into the survey, they used their employee ID numbers, so their latest performance ratings could be added in later directly from the HR database. It was then possible to work out the extent to which performance ratings correlated with engagement.”

**Making a financial case for culture change**
The findings are used to establish relational links between culture and business results and differentiate the components that enable or inhibit successful outcomes. Sinickas does this by first finding the culture-defining behaviors with the highest correlations. Then she recommends a company continue its current practices for behaviors that have a high correlation and a high “net favorable” rating by employees. Her recommendations for change focus on the items with high correlations but low survey scores. “There’s no point to fixing things employees rate very low, but that have little or no correlation with business results,” she says.

This process helps to identify gaps between an organization’s current and desired practices and to make a convincing case for culture change where it is likely to improve business results.
Developing an action plan to address negative findings

According to Sinickas, successful culture change depends on developing an action plan that focuses on the key issues and addressing them at the right level in the organization. Sometimes enterprise-wide systems and compensation schemes need to be overhauled, but more often business performance and results are affected negatively by local behavioral issues such as treating people with respect. Survey data can be broken down by location and negative findings dealt with locally. For example:

“At one company, employees at each branch looked at their results and picked out the issues that required local attention. They then worked on them in their own staff meetings and town halls. About a year later many of their scores had improved by 20 to 25 percentage points,” says Sinickas.

FIVE TIPS AND TACTICS FOR MEASURING CULTURE

1. Use a customized survey

A standardized survey may miss the characteristics that are unique about the organization and underpin its culture. These are the key factors that a customized cultural audit seeks to uncover and measure in relation to business performance.

A standardized survey may identify patterns and correlations that are irrelevant or impossible to act on. Sinickas illustrates this with an example from the Gallup Q12 questionnaire, which found 12 factors that correlate very highly to employee engagement in many companies all over the world. One of those factors is having a best friend at work. “Although this finding makes perfect sense, there is little that an organization can do to encourage friendship among its employees,” she explains. She believes in taking a more practical approach.

Sinickas’ philosophy is to achieve business results through focused diagnostics and practical solutions. “Look at the numbers and develop ways of improving the positive scores and addressing the negative ones,” she advises. “The critical success factor is to pick the important metrics – the characteristics that together make an organization unique.”

2. Use open-ended questions to identify key metrics

It’s important to identify factors that relate to implicit culture as well as obvious practices and behaviors. Sinickas recommends using open-ended questions in interviews and focus groups to draw out how people really see their organization. Examples include, “How would you describe this as a place to work?” or “What’s it like working here?” She asks focus groups, “What’s management like here?” to draw out issues that are top of mind.

Survey questions are then based around the responses. These take the form of a statement followed by a range of agree/disagree options or a frequency measure – a question beginning “How often,” followed by several options on a frequency scale ranging from “almost always” to “almost never” with three points in between. “This uncovers whether there is a problem around a particular behavior, how often it occurs and how strongly people feel about it,” explains Sinickas. “The frequency scale puts numbers to otherwise intangible cultural characteristics.”

3. Use stories and scenarios to uncover value-added behaviors

Sinickas uses focus groups to draw out employees’ personal experience and insights about what actions or behaviors might be considered a concrete demonstration of characteristics that add value to the organization. Employees are asked to relate practical examples of situations that brought extra money into the company or cost it money through lost productivity, duplication of effort or miscommunications. They then try to identify the actions and behaviors that result in successes and the ones that make things go badly. That leads to questions
about the running of the company. Perhaps there’s too much bureaucracy. Perhaps the management manages only vertically and never crosses over horizontally. Or perhaps information isn’t being passed from shift to shift and work is being duplicated.

The next step is to ask executives and focus group participants what they think the company’s success stories – and negative experiences – have in common. “This methodology helps to uncover the underlying themes that are ingrained in the organization’s culture and identify whether it’s a blaming culture, a collegial culture or a culture where people feel that they can’t afford to make a mistake, so it’s better to do nothing than to do the wrong thing,” explains Sinickas. “That is how you extract the characteristics and attitudes that people wouldn’t otherwise put into words and that have a significant impact on the company’s business performance and results.”

4. Pre-test survey questions for misinterpretation
Sinickas advises thoroughly pre-testing surveys for anomalies and possible misinterpretations. It’s also important to check for ambivalent terminology that might skew the results. Surveys administered in multiple countries need to be worded particularly carefully to account for national differences leading to different interpretations of questions. She gives an example where the same expression was interpreted very differently by employees in two different countries.

A company that’s headquartered in Europe, although their biggest single operation is in the United States, included in its survey the statement, “I feel proud to work here.” Respondents were asked to what extent they agreed or disagreed. “In the United States, that’s a straightforward question requiring a simple response. People say that they’re proud to let people know where they work,” explains Sinickas. “But in France people associated pride with arrogance, so if a branch or office had marked a high score on that question, it might have been seen as a bad thing.”

5. Use reverse translation to uncover global differences in interpretation
Words that seem simple in one culture may have very different interpretations elsewhere so it’s important to use neutral vocabulary and language in order to obtain consistency of response. “Otherwise the results will be skewed and you might not know that because you’re interpreting the answers in the way that you designed the questions, not necessarily in the way they were answered,” says Sinickas.

This is an important consideration when having surveys translated into other languages. Sinickas recommends having the survey translated into the other languages, and then retranslating it back into the first language by a different translator. “This shows which terminology could be interpreted differently – sometimes in very funny ways,” she says.

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