The Competing Values Culture Assessment
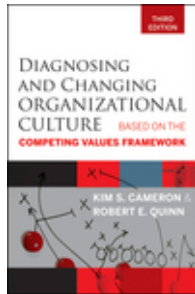
A Tool from the Competing Values Product Line

The OCAI -- Organizational Culture Assessment Instrument

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An Introduction to the Competing Values Framework

The Competing Values Framework (CVF) has been recognized as one of the forty most important models in the history of business. It originally emerged from empirical research on what factors make organizations effective. The framework has since been applied to a variety of topics related to individual and organizational behavior. It has been the focus of empirical studies for more than 25 years, and it has been employed to help thousands of organizations and tens of thousands of managers improve their performance. References to a number of books and scholarly publications testing and validating the framework are available from the authors.

THE COMPETING VALUES FRAMEWORK
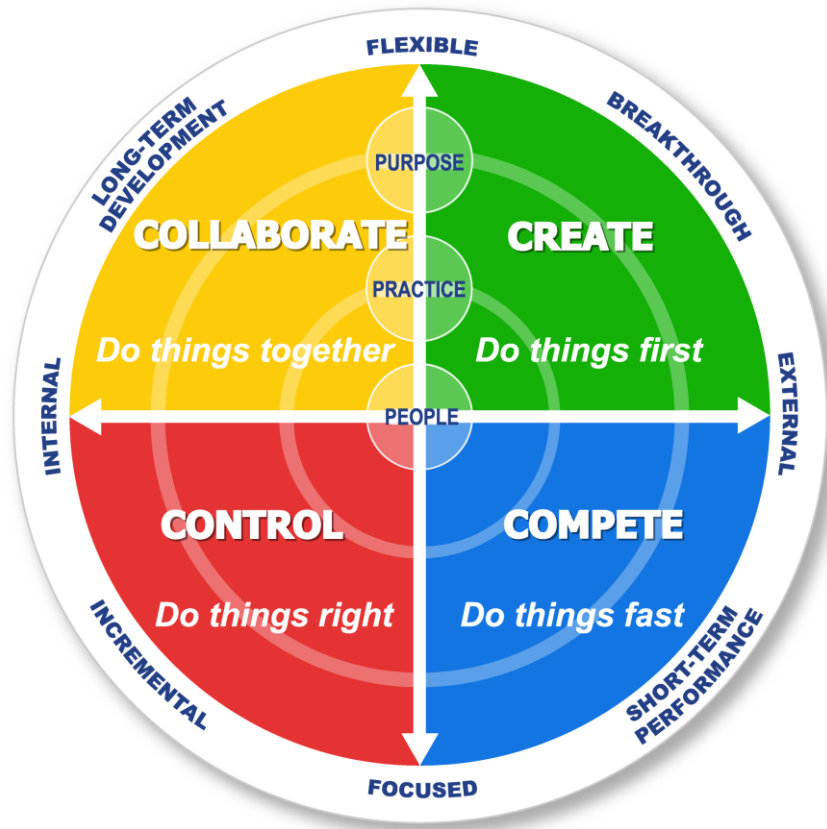
The Four Quadrants

The Competing Values Framework (CVF) consists of two dimensions—one drawn vertically and the other drawn horizontally—resulting in four quadrants. When studying the effectiveness of organizations more than two decades ago, it was discovered that some organizations were effective if they demonstrated *flexibility and adaptability*, but other organizations were effective if they demonstrated *stability and control*. Similarly, some organizations were effective if they maintained *efficient internal processes* whereas others were effective if they maintained *competitive external positioning* relative to customers and clients. These differences represent the different ends of two dimensions, and these dimensions constitute the rudiments of the Competing Values Framework. Each quadrant in the framework represents a way of being, seeing, managing, and organizing.

The Collaborate Quadrant
The Collaborate quadrant represents the kinds of people, purposes, and processes that give rise to cooperation and collaboration. People in the Collaborate quadrant tend to be committed to their community, focusing on shared values and communication. Their culture is oriented towards involvement and building commitment over time. Companies dominated by this Collaborate quadrant often seek to be the employer of choice. Driving purposes include cohesion and commitment. Leaders build the organization by encouraging trusting relationships and by nurturing a sense of community. Unified behavior produces a strong organizational image in the marketplace. Customers may be considered partners in an extended community. The Collaborate quadrant taken to an extreme becomes negative and turns into a permissive, lax environment where outcomes and results are under-emphasized.

The Create Quadrant
The Create quadrant represents the kinds of people, purposes, and practices that are associated with creativity, innovation, and vision. Individuals with this perspective tend to be change oriented. The culture that supports their work is characterized by experimentation, flexibility, and looking forward toward the future. The focus is on generating new ideas. These organizations tend to emphasize and support entrepreneurial activities. Companies in this Create quadrant tend to seek to value things that are new. Driving purposes include innovation and growth. They orient their products, services, and ideas toward the future. Managers build the organization by developing a compelling vision and emphasizing new ideas and technologies, flexibility, and adaptability. These organizations can thrive in turbulent environments. The Create quadrant taken to an extreme becomes negative by being constantly chaotic, trying out multiple new ideas, and under-emphasizing the achievement of predictable outcomes and structure.

The Compete Quadrant
The Compete quadrant represents the kinds of people, purposes, and practices that are associated with aggressive competition and achievement. A focus on achieving results leads people to emphasize winners or losers. Individuals with this perspective tend to be focused on performance and goal achievement. Companies that emphasize this Compete quadrant tend to emphasize speed and getting results. Driving purposes include profits, obtaining market share, revenues, brand equity, and speed of response. Managers build the organization by clarifying objectives and improving the firm's competitive position through hard work, competitive strategy, and productivity. These organizations seek to deliver results to stakeholders as quickly as possible. Beating the

competition is central. The Compete profile taken to an extreme becomes negative by giving rise to self-interests and conflict and by neglecting the more humane people issues.

The Control Quadrant
The Control quadrant represents the kinds of people, purposes, and practices that give rise to predicable, dependable performance. People in organizations dominated by the Control quadrant tend to be systematic, careful, and practical. The culture emphasizes planning, efficient systems and processes, and enforcing compliance. Companies that emphasize the Control quadrant tend to keep things running smoothly and efficiently. Driving purposes include obtaining high quality or optimization, sometimes expressed as predictability or minimizing variation and errors. Managers build the organization by optimizing processes, cutting costs, and establishing policies and procedures. Clear role definitions are important. These organizations tend to elaborate or extend existing products and services with minor variations. The Control quadrant taken to an extreme becomes negative by leading to red tape, languishing bureaucracy, and organizational stagnation.

An advantage of the Competing Values Framework is that it is based on a well-developed theoretical and empirical foundation. A great deal of research has been produced to validate the CVF and its applications. It is consistent, for example, with the psychology of Jung, the sociology of Parsons, the philosophy of Wilber, and the brain physiology of Lawrence. Individuals taking the assessments, as well as organizations receiving data on their own attributes, can link their results to other well-developed elements of improvement.

Most importantly, the empirical research conducted by scholars in hundreds of organizations, coupled with the hundreds of interventions in real organizations that have utilized the Competing Values Framework, provide a rich array of guidelines and prescriptions for how to improve individual and organizational performance. These are not merely conveniently created instruments. They are, rather, an integrated array of assessment devices aimed to help enable and enhance consistent and comprehensive improvement.

THE COMPETING VALUES CULTURE ASSESSMENT

Why should I use the Competing Values Culture Assessment?

The purpose of this assessment is to diagnose your organization's current and desired culture. Unfortunately, most of us are not even aware of our organization's culture inasmuch as culture represents "just the way things are around here." Culture is the sum of the collective assumptions, expectations, and values that reflect explicit and implicit rules in the organization. Until challenged or violated, most people are not even aware that these assumptions and rules exist (such as speaking English or being polite). As a result, it is very difficult to intelligently discuss culture, not to mention try to change it. We learn about the culture of our organization through socialization processes, interactions under uncertain conditions—when we mostly rely on core habits and the most well-learned responses—and by contagion (or unconscious mimicking). Much of that learning, however, is not systematic or conscious.

Understanding organizational culture is important because it is the single largest factor that inhibits organizational improvement and change. Research is clear that healthy cultures enhance success whereas unhealthy cultures inhibit success, but in order to take advantage of the power of organizational culture, it must be adequately measured. Research by Cameron and Mora found that 96 percent of the time successful mergers and acquisitions could be accurately predicted based solely on cultural match. Organizational change and improvement, in other words, is markedly affected by culture.

A change in organizational culture can occur simply by means of life cycle development—i.e., evolutionary changes—or as a result of a major threat or crisis when dramatic transformations occur. The most productive way to facilitate culture change, however, is through competent leadership and systematic change initiatives. This instrument helps identify the cultural profile of your organization which is a prerequisite for fostering organizational change and improvement. Because the instrument is based on the Competing Values Framework, it can help create a common language among employees within your organization and give them an easy way to discuss how to effectively achieve desired results.

The Competing Values Culture Assessment

These six questions ask you to identify the way you experience your organization right now, and, separately, the way you think it should be in the future if it is to achieve its highest aspirations. In the survey, "the organization" refers to the organization managed by your boss (or the organization *in which* you manage).

Please rate each of the statements by dividing 100 points between alternatives A, B, C, and D depending on how similar the description is to your firm. (100 would indicate very similar and 0 would indicate not at all similar). **The total points for each question must equal 100**. The assessment uses this method to better demonstrate how trade-offs always exist in organizations and resources—including time and attention—are never unconstrained. That is, the response scale demonstrates the inherent tradeoffs required in any approach to culture change.

First, rate how you perceive the organization to be at the present time in the NOW column. **Second**, rate the organization again in the FUTURE column depending on how you think your organization must be if it is to accomplish its highest objectives and achieve spectacular success in three to five years.

You may divide the 100 points in any way among the four alternatives in each question. Some alternatives may get zero points, for example. Remember that the total must equal 100.

1.   DOMINANT CHARACTERISTICS

		NOW	FUTURE
A.	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.	A _____	A _____
B.	The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	B _____	B _____
C.	The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	C _____	C _____
D.	The organization is a very controlled and structured place. Formal procedures generally govern what people do.	D _____	D _____
	Total	*100*	*100*

2.	**ORGANIZATIONAL LEADERSHIP**	**NOW**	**FUTURE**
A.	The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.	A _____	A _____
B.	The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.	B _____	B _____
C.	The leadership in the organization is generally considered to exemplify an aggressive, results-oriented, no-nonsense focus.	C _____	C _____
D.	The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.	D _____	D _____
	Total	*100*	*100*

3.	**MANAGEMENT OF EMPLOYEES**		
A.	The management style in the organization is characterized by teamwork, consensus, and participation.	A _____	A _____
B.	The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.	B _____	B _____
C.	The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.	C _____	C _____
D.	The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.	D _____	D _____
	Total	*100*	*100*

4.	**ORGANIZATIONAL GLUE**	**NOW**	**FUTURE**
A.	The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.	A _____	A _____
B.	The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	B _____	B _____
C.	The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.	C _____	C _____
D.	The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.	D _____	D _____
	Total	*100*	*100*

5.	**STRATEGIC EMPHASES**		
A.	The organization emphasizes human development. High trust, openness, and participation persists.	A _____	A _____
B.	The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	B _____	B _____
C.	The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	C _____	C _____
D.	The organization emphasizes permanence and stability. Efficiency, control and smooth operations are important.	D _____	D _____
	Total	*100*	*100*

6.	**CRITERIA OF SUCCESS**	**NOW**	**FUTURE**
A.	The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	A _____	A _____
B.	The organization defines success on the basis of having the most unique or the newest products. It is a product leader and innovator.	B _____	B _____
C.	The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.	C _____	C _____
D.	The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low cost production are critical.	D _____	D _____
	Total	*100*	*100*

Computing the Results:

Transfer all of your answers from the above questions onto the results key below.
Follow the results key until you have the averages for A through D in both the "NOW and "Future" columns of the Assessment.

NOW   **FUTURE**

1A. _____ 1B. _____ 1C. _____ 1D. _____   1A. _____ 1B. _____ 1C. _____ 1D. _____

2A. _____ 2B. _____ 2C. _____ 2D. _____   2A. _____ 2B. _____ 2C. _____ 2D. _____

3A. _____ 3B. _____ 3C. _____ 3D. _____   3A. _____ 3B. _____ 3C. _____ 3D. _____

4A. _____ 4B. _____ 4C. _____ 4D. _____   4A. _____ 4B. _____ 4C. _____ 4D. _____

5A. _____ 5B. _____ 5C. _____ 5D. _____   5A. _____ 5B. _____ 5C. _____ 5D. _____

6A. _____ 6B. _____ 6C. _____ 6D. _____   6A. _____ 6B. _____ 6C. _____ 6D. _____

Add 1A through 6A to get your **total (T)** for the A column. Do the same with all the columns:

 A. _____   B. _____   C. _____   D. _____   A. _____   B. _____   C. _____   D. _____

Divide Totals by 6 to get your **Averages (A)**:

 A. _____   **B.** _____   **C.** _____   **D.** _____   **A.** _____   **B.** _____   **C.** _____   **D.** _____

A - represents the **Collaborate** Quadrant   (Upper Left Corner)

B - represents the **Create** Quadrant   (Upper Right Corner)

C - represents the **Compete** Quadrant   (Lower Right Corner)

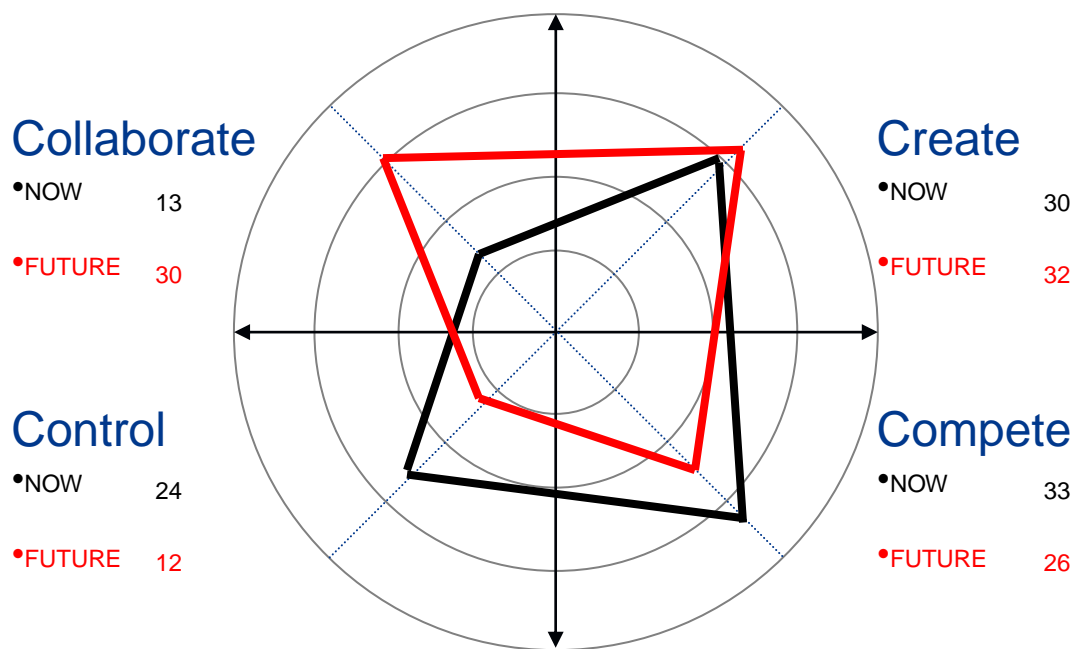**D** - represents the **Control** Quadrant   (Lower Left Corner)

Creating the Visual Results:

Creating a visual picture allows for you to think through your results with the CVF more effectively. A picture also helps you make more comparisons and capture more trends than analyzing numbers alone.
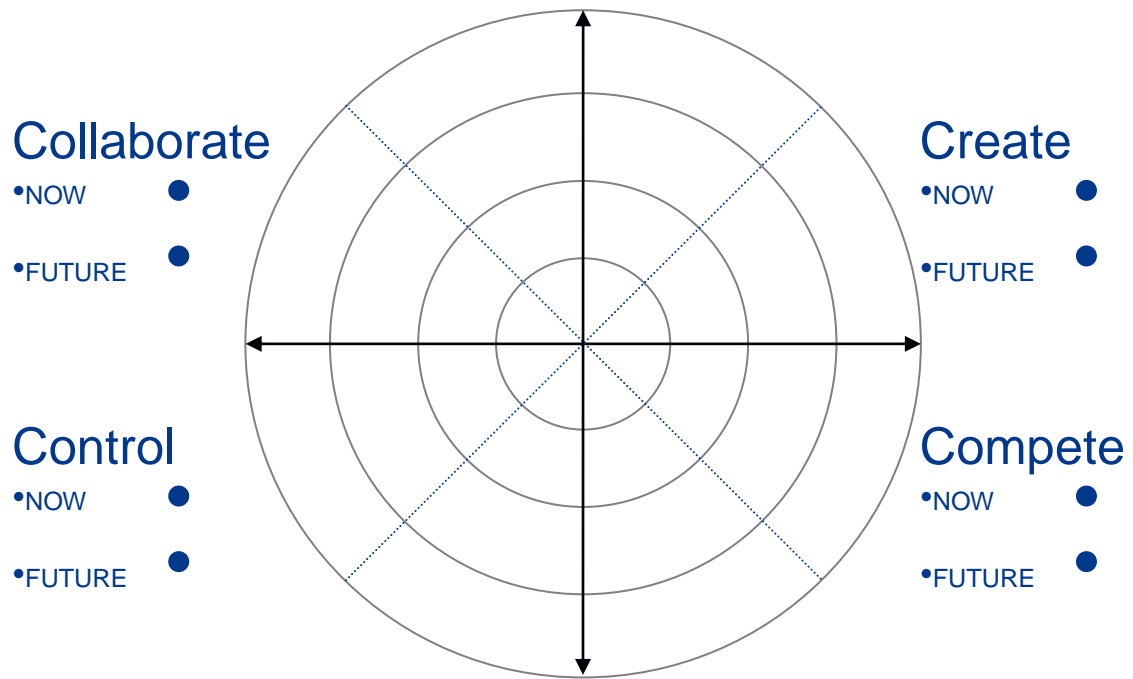
Create your visual results by taking your average number in column A of the NOW section and plotting that point in the Collaborate quadrant. Continue to plot each column in NOW section until all the quadrants are complete. Then connect the plotted points so that you have created a kite-like shape (as in the example below).

Follow the same steps with the averages from FUTURE section but instead of using four solid lines use four dotted lines (or solid lines of a different color) to connect the plotted numbers in each quadrant.

_____

For Example:

Collaborate
•NOW   13

•FUTURE   30

Create
•NOW   30

•FUTURE   32

Control
•NOW   24

•FUTURE   12

Compete
•NOW   33

•FUTURE   26

_____
_____

Plot Your Own Results Below:

Collaborate
- NOW
- FUTURE

Create
- NOW
- FUTURE

Control
- NOW
- FUTURE

Compete
- NOW
- FUTURE

Questions Guiding the Culture Change Process

Discrepancies & Similarities

1. In which quadrants are the discrepancies the greatest between the NOW culture and the FUTURE culture?
2. What changes in organizational culture are implied by your scores?
3. To what extent do the discrepancies between NOW and FUTURE suggest a substantial, transformational change, or do they represent an incremental or evolutionary change?
4. In which quadrants are the discrepancies and similarities greatest between your own ratings of the culture and those of others? How much consistency exists among colleagues' ratings?
5. In which quadrants do differences exist among the different business units or functions in the organization? How much cultural congruence exists among units?

Planning for Action

After reviewing your NOW and FUTURE culture profiles and analyzing the extent to which congruence exists, follow these steps to begin a culture change process within your organization.

1. **Identify required culture CHANGE.** Based on the discrepancies in the culture plots, what needs to change in the organization? In which quadrants will you want to increase your emphasis and decrease your emphasis?

2. **Identify MEANING.** In light of your decision to make some changes to achieve the FUTURE culture, answer these two questions about each quadrant:

   a. **What DOES IT MEAN to change in this quadrant?**
   b. **What DOESN'T IT MEAN to change in this quadrant?**

3. **Tell Stories.** Identify one or two memorable stories or incidents that illustrate the underlying culture that characterizes your FUTURE culture. What anecdote symbolizes what you want to become?

   4. **Identify STRATEGIES.** Develop two or three specific, actionable strategies that are imperative for changing the culture.
   5.
      a. **What should we do MORE of?**
      b. **What should we STOP doing?**
      c. **What should we BEGIN anew?**

6. **Identify immediate SMALL WINS.** Develop a list of key action steps that you can implement right away. These will likely be incremental improvements that can create immediate momentum for change.

7. **Identify METRICS, MEASURES, and MILESTONES.** Identify the indicators of success, how they will be assessed, and the time frame in which observable progress will occur.

8. **Articulate the LEADERSHIP implications.** Determine the learning and development activities that will be needed to develop the leaders you will need to guide the future culture.
9. **Determine the COMMUNICATION STRATEGY.** What symbols, logos, and mechanisms will be used to communicate the new culture? To whom will you communicate and how often?