

Achieving Improved Performance in a Competitive, Regulated Environment By Building a Strong, Strategically Aligned Culture

Today's highly competitive and regulated business environment has led many companies to re-formulate their Corporate objectives and to develop accompanying strategies for improving their business performance. Some have been shocked into such introspection for survival

– largely economic, but also to satisfy regulators that applicable safety standards will be met. These efforts are important steps, but experience indicates that they must be accompanied by a clear understanding of the existing organizational culture and by actions to effectively align the organizational culture with the business strategies. "Alignment" means that the formal and informal value systems, behavioral norms and both internal and external practices are supportive of the business strategies. It also means that employees become supportive participants in the changes necessary for continued organizational success and that they are motivated to contribute and excel.

"A strategically aligned culture is critical in sustaining the levels of employee motivation, productivity and quality necessary for success in today's competitive business environment."

"Sustained, superior results in assuring strong performance depend upon an organization's deeply embedded values & behavioral norms and how these affect the ability to change and seek continuous improvement."

All too often, organizations either fail to fully appreciate or to effectively address the *influence of organizational culture and its powerful relationship to business performance.*

Simply stated, the best laid out business strategies cannot be fully successful unless the organizational culture is aligned with Corporate objectives.

How does one characterize or measure something that appears to be so intangible as "culture?" How does one determine whether or not the culture is aligned? And, if not aligned, how does one identify and implement changes to establish and maintain the desired culture? Most importantly, how can a corporate enterprise manage and continue to improve their culture while surviving in a competitive, regulated environment? This discussion provides an overview of how SYNERGY Consulting Services Corporation (SYNERGY) has worked in partnership with clients to find answers to these questions and thereby, achieve improved business performance.

Organizational Culture:

- ➔ Can be objectively defined, monitored and improved.
- ➔ Has a predominate, positive influence on performance and should be considered as a causal factor in solutions and a component of continuous improvement.
- ➔ Top performers have demonstrated that culture can be strategically managed, similar to other facets of the business.
- ➔ Is not self-sustaining and requires constant reinforcement through strong leadership.

The SYNERGY Story

SYNERGY was founded in 1992 with the intent of establishing a new type of working relationship with our clients, one that is “synergistic” and built on trust – by establishing a track-record of integrity and performance. The three founding principals came together to accomplish this Mission after having spent over 25 years each in industry and government. This experience included having worked together as senior officers in a significantly larger consulting firm setting. Each principal sought greater satisfaction than had been previously possible in the “consulting establishment.”

Our goal in forming SYNERGY was to produce meaningful, lasting “results” and, thereby, “value” for clients operating within high hazard, highly competitive industries. SYNERGY’s approach focuses on helping clients to arrive at balanced solutions that are correct from the client’s point of view and that ensure satisfaction of applicable external regulatory requirements. Importantly, SYNERGY’s approach also focuses on positioning its clients to effectively address future challenges and problems. All too often, these critical client needs are not met by other consulting firms, as evidenced by clients not being much better off after obtaining consulting assistance. In this regard, the SYNERGY Vision was to be very different.

SYNERGY personnel bring a “practical bent” to the table – having interacted with thousands of people from all walks and levels in the corporate-industrial setting, knowing their jobs and what it is like to walk in their shoes (whether in operations, maintenance, engineering). SYNERGY personnel also possess unique understanding of the regulatory environment and regulatory requirements. This pragmatic approach is married with techniques that have been proven to be relevant and effective from academia and by incorporating latest technology. In short, our clients retain us because we add value to their businesses. We have been repaid through relationships that have spanned decades and often only require a “hand shake” to initiate a new assignment.

SYNERGY personnel have conducted hundreds of diagnostic assessments and remedial activities applicable to the commercial nuclear power industry, chemical facilities, Department of Energy complex installations and other critical energy production facilities, e.g. consultation on the Alaska pipeline. Related activities have included facility restart (after regulatory mandated shutdowns) and broad performance improvement initiatives that have included a wide range of programmatic reviews, quality enhancement, technical and analytical activities. SYNERGY also provides services at more local levels, e.g. with specific internal organizations in establishing productive relationships and proactive partnerships aimed at improving their performance, and in working directly with concerned individuals in reaching resolution of their safety concerns. SYNERGY is often retained by its clients to conduct independent investigations in support of governmental proceedings and to presents its findings to regulators.

Comprehensive Cultural AssessmentSM Services

One of SYNERGY's principal services is to conduct comprehensive cultural assessments of client's organizations. In this regard, SYNERGY has developed cultural performance indicators that provide internal trending and benchmarking capability within similar industries. These indicators have been correlated (as leading indicators) to future performance trends. Thus, management is provided the capability to directly assess the business benefits and consequences of cultural improvement initiatives and to manage this aspect of the business similar to other performance areas.

"Properly structured cultural assessments have demonstrated the ability to uncover opportunities and lasting solutions, but equally important, the process itself has contributed to enhancing & maintaining the desired culture."



Scope Summary **Comprehensive Cultural Assessments**

CCAs incorporate an internally developed methodology that is supported by *The Culture MeterTM* software (TCMS) package. The methodology has several components that are executed in partnership with the client:

- Independent, objective (quantifiable) measurement or trending of the culture, work environment, leadership capabilities and drivers of human performance.
 - Safety Culture Performance Indication (can include - facility safety, personnel industrial health & safety, public health & safety)
 - General Culture & Work Environment Performance Indication
 - Leadership, Mgmt. & Supervisory Performance Indication
- Identification of strengths and areas for further development with the highest potential for assuring optimum overall performance of the enterprise.
 - Validation of opportunities for building upon strengths (with the client),
 - Validation of capability improvement opportunities (with the client), and
 - Comparison / evaluation with industry "best -of-class."
- Engagement of management and employees (by client or with SYNERGY facilitation):
 - Enhanced communications, feedback and teamwork at all levels within the organization,
 - Strategic use of cross -functional teams,
 - Self-assessment including evaluating / prioritizing capability improvement opportunities and developing solutions to individual or organizational developmental needs.
- Action Plan development and implementation including:
 - Ongoing trending of employee attitudes and perceptions to identify any emerging needs on a proactive basis, and
 - Performance re-assessment and monitoring.

SYNERGY's approach for conducting cultural assessments relies heavily upon obtaining employee input (through confidential interviews and questionnaires) as a measure of the values, behaviors, practices and applied leadership characteristics that have shaped the culture and performance. SYNERGY's research indicates that employee attitudes and perceptions, and their evaluations of the effectiveness of key business processes are important barometers of future performance trends.

SYNERGY has developed diagnostic and predictive metrics that quantify the health of the culture and the alignment of the culture with the organization's business strategies. These metrics are based upon SYNERGY's cultural and leadership models. Each model is subdivided into a number of Dimensions and Attributes that were defined based upon years of direct observation of strong and weak cultures. These Dimensions and Attributes are explored in detail through survey questionnaires and employee interviews. Employees' ideas for improvement are also solicited.

SYNERGY Consulting Services Corporation
Comprehensive Cultural Assessment Services

The internally developed *The Culture Meter*[™] software (TCMS) computer program provides a well-structured and automated means for processing and analyzing survey data. Using this tool, SYNERGY is able to efficiently produce results, thereby shortening the timeframe between initiation of the assessment and presentation of results. Additionally, TCMS produces output in formats that enhance understanding of results and facilitate decision-making.

In addition to providing cultural metrics, SYNERGY identifies organizational strengths and weaknesses, with particular attention to any functions, sub- organizations or demographic constituencies requiring further organizational, cultural or leadership development.

As part of each assessment, SYNERGY provides meaningful, down-to-earth recommendations and suggestions for continued cultural and performance improvement. Recommendations and suggestions are provided both for the composite organization and for individual demographic constituencies or sub-organizations, as appropriate.

An integral part of each cultural assessment is an evaluation of the organization's Safety Conscious Work Environment (SCWE) – that is, the overall climate and organizational effectiveness in addressing potential safety concerns and ensuring that there is a “free flow of safety information.” SYNERGY completes a comprehensive evaluation of the SCWE to verify whether or not barriers exist that adversely impact the ability to identify potential safety issues and to pursue resolution. In this regard, SYNERGY evaluates the effectiveness of management and supervisory support and their sensitivity and responsiveness to employees with safety issues. SYNERGY assesses both “environmental adequacy” and “individual willingness to take appropriate action. SYNERGY's methodology provides the ability to interdict local problems from the organization as a whole.

If applicable, each cultural assessment also includes an evaluation of employee confidence in the organization's Employee Safety Concerns Program (ECP). Most of our clients have an ECP in place to provide an additional avenue for addressing potential safety concerns when employees feel that they need an alternative path (outside the normal management chain) to seek resolution. ECPs provide “safety nets” for capturing information potentially important to safety. Strong safety cultures and strong ECPs often go hand-in-hand because the ECPs reinforce the organization's commitment to safety. SYNERGY has also assisted its clients to develop and improve their ECPs using internally developed guidelines that capture industry *best practices* and consensus *standards for program development and self-assessment*.

Subsequent to the conduct of organizational cultural assessments, SYNERGY frequently continues to assist its clients in a variety of capacities, including:

- Facilitation in developing understanding and “ownership” of improvement needs within the organization,
- Facilitation in developing effective performance improvement plans,
- Performance of follow-on evaluations of the effectiveness of improvement plans, and
- Presentation of assessment results in meeting with regulatory agencies.

Benefits of Comprehensive Cultural AssessmentsSM

Completion of the CCA provides the client with an easy to understand characterization of the culture, including the cause-effect relationships between what is observed in the culture and how current performance is being affected. The client is also provided with a clear set of recommendations addressing any identified cultural opportunities. The CCA results and recommendations are typically communicated in a management briefing, followed by an Executive Summary Report with detailed backup.

Additional benefits of SYNERGY's CCA's include:

- Proven (tried and true). During the past few years, SYNERGY has conducted more than 70 cultural assessments. Subsequent to actions taken by management to address assessment results, the performance of some of our clients' facilities have risen from worst- to best- in class.
- Comprehensive coverage of key Cultural Dimensions and Attributes, including cause and effect relationships. Assures that the "real" problem and its root cause & generic implications are identified and resolved.
- Effective identification and characterization of demographic and organizational pockets or outliers. Provides the ability to interdict problem areas from the rest of the organization – providing focus where it belongs.
- Provides a mechanism for understanding the impacts of increasing production and cost conservation measures on the safety culture to assure a proper balance.
- Allows results to be compared within industries. Provides a competitive tool.
- Facilitates long-term trending of key information at multiple levels. Provides a tool for performance management, accountability and leadership development.
- Facilitates intervention & developmental measures focused on improving teamwork and organizational effectiveness.
- Methodology and presentation of results are understood by key Regulatory Bodies. Provides a baseline from which to measure cultural improvement prior to seeing improvement trends in other performance measurements. This helps to provide the regulator with peace of mind that actions to address areas of prior weaknesses are on a success path.
- Flexible: the survey modules can be used individually or in combination depending upon client needs/desires.
- Customizable: the survey instrument can be readily customized to reflect local/preferred terminology and to emphasize local issues or concerns of interest.

Most importantly, use of SYNERGY's Comprehensive Cultural Assessment methodology and instruments provides access to the analytical expertise and experience of SYNERGY's principals. These individuals have experience in all aspects of the industrial setting – including operations, maintenance, engineering and safety. Additionally, SYNERGY has unique expertise in addressing the challenges of an increasingly competitive business environment within the context of ever-intense regulatory scrutiny.