

Decoding culture series



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Accountability: Uncover who really pulls the strings

For better or for worse, businesses are a product of their leaders. Strong, visible leadership and clear lines of accountability produces a healthy culture, where employees are consistently motivated to deliver the right outcomes and feel safe to speak up if they think something isn't right. That's the dream, right?

In an effort to replicate this ideal across the industry, APRA and ASIC is will soon jointly oversee the Financial Accountability Regime (FAR) — the new and improved BEAR. But more often than not, there are other factors at play which mean that your key personnel and accountable persons aren't always the ones in the driver's seat. And if they are, how can you can be sure they're all going in the right direction?

In the second of our guides on decoding culture, we bring you some of the key leadership and accountability risks to look out for, and how our culture assessment programme, Hemisphere, can help you manage them.

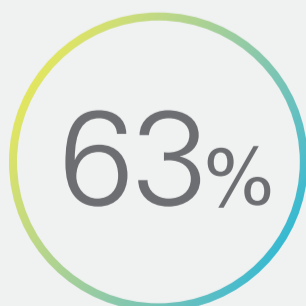


The risk: delegation

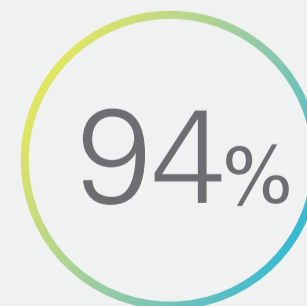
Under FAR, your accountable persons are responsible for ensuring that everything within their remit is working effectively. And with many teams still working remotely, the pressures of getting it right have multiplied. But how can they do that if they keep passing the buck? Over delegation, or delegation without the proper oversight and training, will likely only result in confused, demotivated employees and poor customer outcomes.

What we consider: dissecting employee feedback

Taking the outputs from Hemisphere's state-of-the-art employee insight tool, we uncover how capable your employees feel when it comes to discharging the responsibilities delegated to them, and how often their senior manager touches base to make sure everything's running smoothly. This gives us a clue as to how much oversight, governance and control your senior managers are really providing when it comes to their delegated responsibilities.



Percentage of people who are more likely to do the right thing when excessive time pressure is not a factor

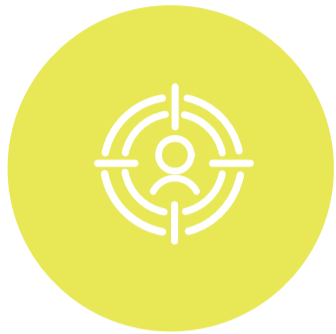


Proportion of a meeting successful board chairs spend listening, as opposed to speaking

Source: Fiona Hathorn, "FCA Insight: Listen up leaders", 2018.

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The risk: rogue influencers

Every business has key influencers. The ones who, through their social capital or technical expertise, become everybody's 'go-to'. But what happens when those key influencers aren't who you expect them to be? While there might be an honest explanation for this, it could also raise some serious questions around how much control your accountable persons really have over the functions they're responsible for.

Likewise, there may be individuals in your organisation who wield a lot of influence that could result in significant harm to your clients, but don't fall under the regime. That's a lot of risk to be blind to.

What we consider: mapping spheres of influence

Using cutting-edge AI, Hemisphere maps out spheres of influence across your organisation. With this unique Organisational Network Analysis (ONA), Hemisphere transforms participant insight into in-depth situational awareness of the informal influencers in your business — right down to pinpointing the exact individuals who hold this informal authority.

We'll use this to benchmark against your accountability framework. The solution is not to fight it if there's a mismatch. Instead, informal influencers can be localised and, where possible, leveraged as key change agents, while "weaker in compliance" segments can be identified and appropriately trained to reassert key behaviours and cultural values.



The risk: emerging subcultures

Subcultures are a fact of life. After all, when we're living or working in close quarters, it inevitably gives rise to an accepted way of doing things — spoken or unspoken. While we might all be working towards the same goal, that goal will look different to distinct areas of your business.

Subcultures are commonplace in geographically diverse companies, but they're equally likely occur within smaller teams, or where individuals share a common characteristic. While this isn't necessarily a cause for concern, where accepted norms, values, behaviours and expectations differ wildly from company-wide messages, it could easily mutate into a disruptive force, for better or for worse. At the very least, you want to be all singing from the same hymn sheet. But within such subcultures, employees will often superficially align themselves with the company culture, yet undermine it when the boss isn't looking, making it all the more difficult to recognise areas of your business where subcultures exist.

What we consider: capitalise on 'compliance champions'

In our experience, subcultures are almost always driven by an individual whose reign over a tight-knit bubble means they can often operate under their own set of rules.

This can work to your advantage. Over the years we've seen many teams who seem to be one step ahead of the rest. They hit their financial targets, deliver the best customer outcomes, and seem genuinely happy to be there, day-in day-out. These subcultures espouse positive values and a sense of belonging that stems from a shared purpose. You can use these people as a basis for best practice.

On the flip side, if a subculture is bad, you'll be able to pin down the driving force behind it. Consider what structural changes you need to address this and bring about real change.



The risk: blind obedience

Do leaders and managers foster a culture where diversity is valued, and people feel free to challenge decisions, or is blind obedience the order of the day? Are issues being brushed under the carpet? All this indicates a culture where the iron fist rules, often stalling innovation and fresh thinking, and ultimately harming customer outcomes.

What we consider: fostering a culture of openness

Psychological safety has shot up the list of priorities in recent months – unsurprisingly, given the strain the Covid-19 crisis will've put on almost all employees. At its core, psychological safety means creating a climate where employees feel comfortable speaking up and pushing back, safe in the knowledge that they'll be listened to. Rather than taking and executing orders, employees feel that their opinion matters and they are treated with respect. It's an environment where it's safe to learn and to contribute, without fear of retaliation.

How do you know if your environment is psychologically safe? Do the people in your business have access to the channels through which they can raise their concerns in confidence?

Psychological safety a hard thing to measure, so we start by looking at the leadership behaviours that are likely to have the most overwhelming impact. By assessing how leadership behaviours are perceived within the business, we can evaluate the extent of interpersonal risk within your business.

[>> Find out more in our final piece in the series: #5 Psychological safety <<](#)

Hemisphere: the satellite imager in your toolkit

To uncover what's really going on in your business, who your key influencers are and what this ultimately means for your employees and your customers, you need a tool with the depth of a strong microscope and the range of a telescope.

Lucky for you, our data analytics programme, Hemisphere, does just this.

From a holistic diagnosis of the effectiveness of your organisation's leadership, down to the granular detail of how your culture manifests itself in practice, Hemisphere gives you the ultimate insight and intelligence into your business to decode your culture, measure and track it, and ultimately transform it.

Better yet, rather than an isolated piece of programme change, Hemisphere provides an ongoing, evolving and self-fulfilling initiative.



Powered by state-of-the-art culture analytics technology



Calibrated by psychology and behavioural science



Underpinned by deep conduct risk culture expertise

Hemisphere gives you more detail and insight than any other programme. Put us to the test.

[Book a demo](#)