

## Are you ready to understand more about your culture?



Culture encourages behaviours that support an organisation in the achievement of its objectives. Culture can be defined as a combination of the values, attitudes and behaviours involved in the delivery of business operations, and the engagement with stakeholders.

'Tone from the top' and behaviours are key. Whilst an organisation may have all the right policies, processes and procedures in place which 'tick all the boxes', if the behaviour of leaders does not match the values and culture being promoted then this creates dysfunctional behaviour.

Globally, the financial crisis uncovered a series of corporate scandals exposing governance weaknesses, serious professional misbehaviour, ethical lapses and compliance failures.

Locally, APRA's Prudential Inquiry into the Commonwealth Bank of Australia (CBA) reported that cultural factors resulted in the banks "continued financial success dulling the senses of the institution". This led to non-financial risks being neither clearly understood or owned, management frameworks being incomplete and cumbersome, senior leadership being slow to recognise and address emerging threats and formal action taken against CBA by AUSTRAC.

## KEY CAPABILITIES



Internal Audit



Regulatory and Compliance



Culture, Governance and Risk



Effectiveness and Efficiency

## ABOUT RSM

The RSM global network is represented in 120 countries, enabling us to access best practice insights and local expertise in both the public and private sector to assist you, no matter where in the world you are operating.

It is our strong, collaborative approach that differentiates us. This allows RSM Australia to work with our US and European firms to ensure our local clients can leverage of the not only our local expertise, but that of our network. We strive to truly understand your business, your strategies and your aspirations and endeavour to be considered the adviser of choice.

## DEVELOPING CULTURE



- 6th largest global audit, tax and consulting network
- Firms in 120 countries and are in each of the top 40 major worldwide business centres
- Over 38,000 in 760 offices
- Clients from growth-focused entrepreneurial businesses through to leading multi-national, cross border organisations

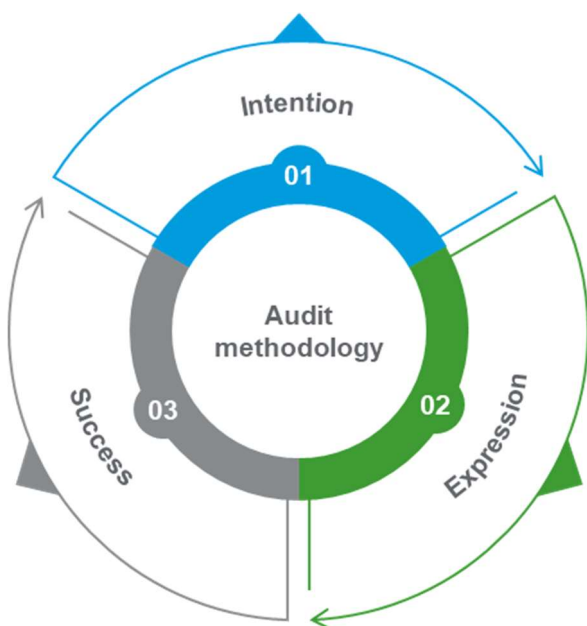
Our one-firm national structure not only delivers exceptional results and value for money, it also enables us to provide a single, seamless client service. With 29 offices across Australia, our clients benefit from our geographic diversity by effectively utilising our shared expertise, ideas, technology and experience.

## GOOD CULTURAL OBSERVATIONS

- Recognising the value of culture;
- Well-defined including vision, values, mission;
- Leadership embody the desired culture and leading by example;
- Openness and accountability at every level;
- Imbedded in the behaviours and expectations of all employees and stakeholders;
- Performance managed, encouraging and rewarding behaviours; and
- Supported by a good level of governance.

## CULTURE METHODOLOGY

Our methodology to assisting in identifying, and assessing, culture within an organisation involves detailed scoping to ensure we met your requirements and is structured around three core areas:



- **Intention** – an assessment of the kind of culture the organisation's leaders want and believe to be in place;
- **Expression** – an evaluation of how effectively and consistently the organisation communicates and embeds its desired culture at all levels; and
- **Success** – an assessment of the extent to which the organisation has achieved its desired culture.

## OUR APPROACH

To assess the current culture, we would start at the top with a Board and senior management workshop. Questions which would typically be posed include the following:

- What do you think culture means, why is it important?
- What is your perception of your organisation's culture?
- Does this align with the organisation's vision and values?
- Do you think your staff are aware of the organisations culture?
- How could you further enhance culture?

RSM has also developed an extensive questionnaire containing customisable and targeted questions. These are asked to a selection of staff and management to assist in determining the underlying culture of the organisation.

This approach enables a comparison, and analysis, to be made which can assess key cultural drivers such as the:

- Rigor of Board and Executive Committee governance of non-financial risks;
- Nature of accountability, potentially reinforced by remuneration practices;
- Authority and capability of the operational risk management and compliance functions; and
- Appetite to empower, challenge and strive for best practice in risk identification and remediation.

## HOW CAN WE HELP

Given the pervasive impact of culture within an organisation, highlighted by recent events, a periodic assessment of this is essential in ensuring ongoing success.

Instances where a bespoke review of culture may be beneficial include:

- Following a one-off staff survey;
- Organisation change/new leadership;
- Following a merger to baseline the culture of the new entity and/or contrast the cultures of the entities coming together
- Following an annual staff survey where results have not improved year on year; and
- In support of well led board reviews (health).

To find out more about us visit: [rsm.com.au](https://rsm.com.au)