

## Culturelytics: Case study

Improving post-merger integration at a global Indian bank

### The challenge

As part of its vision to become a leading global lender, and in response to a government-mandated consolidation, a leading Indian bank undertook a major expansion program, including the acquisition of six other banks. As a result of the acquisition, management had projected growth for the new, larger bank. But two years later, contrary to forecasts, and for the first time in the bank's history, advances and deposits in fact declined and they were losing both customers and employees.

Management suspected that misaligned culture posed a key impediment to growth, with employee and customer expectations varying widely across the new organization, and most having very relationship-oriented cultures versus the process-oriented culture of the client.

To realise the opportunities of acquisition, the bank would have to build an aligned culture across the merged organisation focused on exceptional performance, customer service and digital capabilities. To do this, management needed to more precisely understand the cultural issues that were blocking change and identify pathways to creating alignment behind their vision for the bank.

### Product solution: InGenome

Culturelytics deployed its culture analytics platform InGenome™ with the bank's business across the state, to provide an objective, data-based understanding of its post-acquisition integration challenges, as a basis for creating a high-performance, customer-focused, digitally enabled culture among all employees.

For the study, we surveyed 14,000 employees and customers at more than 500 bank branches. The results of our analysis were presented in a **customised, interactive client dashboard**.



### Key findings & insights

The analysis confirmed that cultural misalignment between management, employees and customers was creating significant inefficiencies and putting key business targets at risk.

**a) Cultural alignment: Culture Coherence Quotient (CCQ™): 66.2** (out of 100). CCQ is an overall measure of alignment between employees, customer expectations and the bank's mandate. This score is in the 'amber' range, indicating that there are vital cultural issues that must be addressed for the bank to recapture growth and realise business goals.

**b) Financial impact of culture:** We estimated that: a) cultural issues were resulting in **10.26%** inefficiency in annual employee expenditures; b) the company was at risk of missing projected financial targets by **12.6%** (a projection that proved accurate).

**c) Detailed insights:** The detailed findings offered a wealth of new insights about cultural issues affecting performance, and pathways to improve alignment. Some highlights:

- **Influencer networks:** This dimension gives a window into the informal networks operating in the organisation. It revealed a core group of 62 top influencers – people who can play a key role in rolling out management change initiatives. One-third of these were detractors, influential people who might foster resistance to change. We recommended a six-month Leadership Accelerator Program (LeaP) to engage all key influencers.
- **Employee values:** Employees felt pride and connection with their local branch and teams but not with the overall organisation, resulting in delayed adoption of new initiatives. It was also found that they were not in sync with management's vision of shifting from a 'people's bank' (serving more customers with lower net worth) to a more commercial model (serving fewer customers with higher net worth) in line with a changing competitive landscape.
- **Customer values:** There was a lack of customer service culture in the bank, with customers desiring more proactive, innovative service and faster, fairer complaint resolution. Recommendations included training for customer-facing staff, better use of technology, and more personal in-branch services.
- **Adaptability quotient:** A large majority of employees had a 'neutral' attitude toward change. Combined with a focus on job security, this limited adaptability was an impediment to the bank's digital and service transformation initiative.

### Business outcomes

These data-based culture insights have been leveraged to shape new employee and customer initiatives across the organization, and Culturelytics is using its analytics platforms to diagnose their impact.

*"The business winners of the future will embrace advanced technologies while focusing on creating purpose-led cultures. Culturelytics Pvt Ltd are pioneers in helping companies do this, and we are pleased to have worked with them over the last year." Chairman*