



Merger/ Compatibility Report Company A & Company B

Prepared by Barrett Values Centre



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The purpose of the Merger/ Compatibility Assessment is to determine how distinct organisations or groups correlate with one another. This assessment shows what each group finds important from a personal perspective; how they perceive their current culture; and what direction they seek moving forward. Comparing the different group results shows where similar points of view are held; where they differ; potential problem areas; existing mutual strengths; and areas where one group might learn from another.

MERGER & COMPARISON STRENGTHS

Shared Values

The people in these comparison groups share eight of the same Personal Values, showing a significant degree of similarity and resonance.

The common **Personal Values** for these groups show that they demonstrate:

- **Dedication and a desire to excel**
Group efforts and a love for laughter
Authentic and just interactions to build mutual confidence with others

When looking across all groups, the top personal values share concentration at Level 5- Internal Cohesion, which concerns the individual's search for meaning.

The **Current Culture** for these groups show three values in common. These values promote:

- **Strong focus on high standards of service**
- **Attention to meeting the needs of their customers**

In the Current Culture, the top values share concentration at Level 3 - Self-esteem, indicating that much of the energy is devoted to performance, systems and processes. In Company B one top potentially limiting value was selected in this area, revealing some problems undermining operational effectiveness.

Unique Perspectives

The following paragraphs describe the positive values uniquely experienced by each group in their current culture.

- **Company A** people see a focus on the bottom line, with attention given to successfully meeting targets. They strive to lead the industry and exchange ideas to maximise effectiveness.
- **Company B** work together, with confidence in one another and seek to find agreement in decision making. They look to maintain high standards, yet find ample time for their personal lives.

MERGER & COMPARISON ISSUES

Shared Issues

The Cultural Entropy percentage for both groups is most concentrated at Level 3 - Self-esteem, indicating that most issues relate to performance, systems and processes.

Unique Issues

The groups have different degrees of Cultural Entropy score worth noting. **Company A (13%)** has an elevated Cultural Entropy score, in the range of 11-20%, reflecting a need for cultural or structural adjustment. **Company B (23%)** has a high Cultural Entropy score, between 21-30%, showing that cultural and structural transformation and leadership coaching are required to improve performance. In Company B the Cultural Entropy percentage at Level 1 – Survival, which concerns business health, outweighs the amount of positive focus, indicating that any good work here is being undermined.

There are different issues experienced in the top values that should be noted:

Caution and **bureaucracy** are unique to Company B.

Internal competition is unique to Company A.

- **Company B** people see a reticence to try new ideas and are hampered by rigid internal processes.

- **Those in Company A see problems caused by in-fighting.**

Explore the differences between the groups. These differences can demonstrate the subtleties that exist in each culture.

THE WAY FORWARD

Similarities

There are eight matching values shared between the Desired Cultures:

cost consciousness

excellence

client focused

teamwork

accountability

leadership

being the best

trust

Four or more values matches indicate a significant degree of alignment in terms of how these groups want to move forward for future success.

For each group, the desired values share concentration at Level 3 - Self-esteem, revealing the people want to focus on performance, systems and processes.

Unique Differences

The following paragraphs describe the values requested by each group in their Desired Culture, which currently are not experienced in their Current Culture view.

- **The Company A people see the need for more principled interactions and want to work more effectively together.**
- **People in Company B want to focus more on the bottom line.**

CROSS CULTURE SUCCESS

One group's current culture value may be another group's desired value. In these cases, a learning opportunity can be cultivated between groups.

- **The Company A people can help those in Company B understand how better to focus on the bottom line and to become industry leaders.**
- **People in Company B can help Company A build group efforts and mutual confidence between colleagues.**



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Key Findings

PERSONAL VALUES

The top Personal Values show what unites the participants in who they are and how they make decisions.

Personal Values Matches

This table features the top personal values shared by the groups. These principles connect participants in mutual understanding and support.

There are eight top Personal Values shared across the comparison groups. This shows a significant degree of similarity and implies resonance between them.

Key Themes

- Dedication and a desire to excel
- Group efforts and a love for laughter
- Authentic and just interactions to build mutual confidence with others

All Groups	excellence teamwork humour/ fun integrity commitment honesty trust fairness
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Key Findings

Personal Values Differences

This table shows the top personal values that are unique to each group. Differences among groups can bring expanded awareness or support where one group is less proficient. The appearance of different values among participants does not mean that the others do not live or appreciate them, but that they play particular importance in their lives at this point in time. These differences need to be acknowledged and nurtured for an optimal relationship.

- The Company A people provide guidance and create partnerships with others.
- Those in Company B have high aspirations and standards.

Personal Values Balance

There are three types of personal values: “I” Individual values are expressed from within the person. “R” Relationship values are exhibited in connection with others. “S” Societal values focus on the common good. The IRS index shows the distribution of these values types, indicating where people place their focus and the degree of balance among values.

The IRS index for these groups are similar, with emphasis on “individual” type values.

Company A	collaboration leadership
Company B	quality being the best

Company A	IRS (P)=6-4-0 IRS (L)=0-0-0
Company B	IRS (P)=7-3-0 IRS (L)=0-0-0



Key Findings

Personal Values Distribution and CTS Index

The Distribution of Values diagrams show the percentage of all votes for values in three major areas - Common Good, Transformation and Self-interest (CTS). Self Interest, Levels 1, 2 and 3, encompasses basic needs such as financial and physical health, interpersonal relationships, and performance. Transformation, Level 4, is about people having a voice, challenging and questioning ideas, and embracing opportunities for growth and learning. Common Good, Levels 5, 6 and 7, represents the well-being of the collective, finding meaning in one's life and work, and supporting others in building a long-term, sustainable future. See Values Distribution Diagram & CTS Index.

- Both groups have identical levels of focus in all three areas, with most attention placed on the Common Good.
- The groups share top values concentration at Level 5 - Internal Cohesion, which is mirrored in the full Values Distribution diagram.

Company A	CTS: 46-23-31
Company B	CTS: 46-23-31



Key Findings

CURRENT CULTURE VALUES

The Current Culture Values reflect the participants' perceptions of what their culture focuses on and how it operates. These values provide a picture of the environment, the positive aspects, and its potentially limiting issues.

Current Culture Values Matches

This table features the top positive values that all groups experience in their current environment.

These groups have three positive values in common. This shows some areas of similarity and resonance between the groups.

All Groups	excellence client focused professionalism
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Key Themes

- Strong focus on high standards of service
- Attention to meeting the needs of their customers



Key Findings

Current Culture Values Differences

This table shows the top positive values that are unique for each group.

- The Company A people see a focus on the bottom line, with attention given to successfully meeting targets. They strive to lead the industry and exchange ideas to maximise effectiveness.
- Those in Company B work together, with confidence in one another and seek to find agreement in decision making. They look to maintain high standards, yet find ample time for their personal lives.

Company A	cost consciousness being the best achievement results orientation best practice profit
Company B	trust quality consensus balance (home/work) teamwork

Current Culture Potentially Limiting Values Differences

This table shows the top potentially limiting values that are unique to each group.

- The Company A people see problems caused by in-fighting.
- Company B participants see a hesitancy to embrace new ideas and may be frustrated with rigid systems and processes.

Company A	internal competition
Company B	caution bureaucracy



Key Findings

Current Cultural Entropy Score

This table depicts the Cultural Entropy percentage for each group.

- The Cultural Entropy score experienced by Company B is high, reflecting issues requiring cultural and structural transformation and leadership coaching. The Cultural Entropy score experienced by Company A, while less elevated, indicates issues requiring some changes.
- For both groups, the Cultural Entropy percentage is most focused at Level 3- Self Esteem showing some problems affecting business performance. Company B also recognise more negative than positive focus at Level 1- Survival, indicating concerns which are overwhelming attention to business viability.

Company A	13%
Company B	23%

Current Culture Values Balance

The IROS index reveals a group’s areas of focus and degree of balance according to four values types. In addition to the personal values types (IRS), we also now have Organisational type values relating to operational functions. (IROS). This table shows the types of top values appearing in each group’s Current Culture list.

- The IROS index shows that both groups see most focus to be on meeting business needs, although Company B people see some negative attention in this area.
- Company B participants recognise positive focus on how people relate to one another, while those in Company A see problems in this area.
- Neither group sees any attention given to supporting societal needs.

Company A	IROS (P)=2-0-7-0 IROS (L)=0-1-0-0
Company B	IROS (P)=1-3-4-0 IROS (L)=1-0-1-0



Key Findings

Current Culture Values Distribution

See Values Distribution Diagram & CTS Index. This diagram shows the overall CTS (Common Good, Transformation and Self-interest).

- While both groups share most emphasis in the area of Self-interest, there is a marked difference in the attention at Level 3-Self Esteem. This area focuses on systems, processes and performance. While for Company A this is primarily positive, for Company B, almost a third of the focus here is potentially limiting and is undermining performance.
- Company B participants experience more attention across the areas of Transformation and the Common Good than in Company A.

Company A	CTS: 21-14-65
Company B	CTS: 24-20-56



Key Findings

Current Culture Business Needs Scorecard

See Business Needs Scorecard (BNS). The BNS provides a business view to help guide strategy for long-term success. Six areas focus on Finance, Fitness, External Stakeholder Relations, Evolution, Societal Contribution, and Culture. Culture is further broken down into three sub-sections: Trust/Engagement, Direction/ Communication and Supportive Environment. This table indicates the areas covered by top positive (P) and potentially limiting (L) values.

- Company A is strongly focused around the traditional business areas of Fitness, Finance and External Stakeholder Relations.
- Both groups recognise issues affecting business performance, with Company B additionally seeing problems with impact on business development.
- Company B places more focus on people, as shown by attention in the area of Culture, which is missing for Company A.

Company A	Finance (P) Fitness (P,L) External Stakeholder Relations (P)
Company B	Fitness (P,L) External Stakeholder Relations (P) Evolution (L) Culture (P)

DESIRED CULTURE VALUES

The Desired Culture Values reflect what participants believe to be important in achieving optimum performance within their culture. These values can show the next steps that they want to take; antidotes to current problems; and current values that need strengthening. In essence, this is a map as to what the participants want to support and see enacted within their culture.

Desired Culture Values Matches

This table indicates the top positive values that all groups would like to experience in their environment.

There are eight Desired Culture values in common, revealing a good degree of alignment in how the groups would like to move forward. This degree of alignment suggests potential success for these groups if these values are integrated into their joint culture.

Key Themes

- Strong guidance from above, with people taking ownership
- Support for client needs and being aware of spending implications
- Striving to lead the industry and delivering to the highest of standards
- People working together and building mutual confidence with one another

<i>Note: The values in bold are new requests for all groups.</i>	
All Groups	accountability leadership cost consciousness excellence client focused teamwork being the best trust



Key Findings

Desired Culture Values Differences

The top positive values that differ for each group are shown in this table.

- The Company A people see the need for more principled interactions and want to work more effectively together. They also want to continue to share effective business procedures with one another.
- People in Company B want to maintain their benchmark and focus more on the bottom line.

Desired Culture Values Balance

This table shows the types of top values that each group chose in their Desired Culture list.

- Company A sees the need for more attention to be given to supporting interpersonal relationships.
- Those in Company B want to see increased focus on meeting business needs.

*Note: The values in **bold** are new requests for each group.*

Company A	collaboration integrity best practice
Company B	profit quality

Company A	IROS (P)=2-4-5-0 IROS (L)=0-0-0-0
Company B	IROS (P)=1-3-6-0 IROS (L)=0-0-0-0



Key Findings

Desired Culture Values Distribution

See Values Distribution Diagram & CTS Index. This diagram shows the overall CTS (Common Good, Transformation and Self-interest).

- Company A people seek slightly more focus in the area of the Common Good than in Company B.
- While both groups request a concentration of top Desired Culture values at Level 3 - Self-esteem, the Values Distribution diagram indicates some underlying differences in the Desired Culture focus they are seeking.
- Company A and Company B responses show Desired Culture concentration at Level 4 – Transformation, the area which concerns employee participation and ongoing development. However, Company B sees this same level of focus also at Level 5 - Internal Cohesion, which shows a desire to build a sense of internal community spirit.

Company A	CTS: 40-24-36
Company B	CTS: 38-24-38

Desired Culture Business Needs Scorecard

The Business Needs Scorecard plots shows the allocation of focus on the six categories representing business aspects important for long-lasting success. This table indicates the number of areas covered by top positive (P) and potentially limiting (L) values.

- Both groups want to see focus in similar areas- supporting the traditional business aspects of Fitness, Finance and External Stakeholder Relations but also seeing the need for attention to building a more cohesive workplace.

Company A	Finance (P) Fitness (P) External Stakeholder Relations (P) Culture (P)
Company B	Finance (P) Fitness (P) External Stakeholder Relations (P) Culture (P)



Key Findings

Desired Culture Across-the-Board Values Matches

This table features the across-the-board top values matches found for each group.

Matching values among all three values lists, Personal, Current Culture and Desired Culture, indicate optimal alignment. The greater the number of matching values, the greater the sense of motivation, commitment and authenticity is present. If a value is found across the board, this signals a principle of particular importance.

- Both groups strive to excel.
- Additionally, those in Company B work together to meet high standards and feel able to count on one another.

Company A	excellence
Company B	trust excellence teamwork quality



Cross Culture Success

CROSS CULTURE SUCCESS

When a group has a value in its current culture that another group wants in its desired culture, then that value has a high chance for success in the new culture, providing that it receives on-going support and acknowledgement.

What the Groups Can Teach One Other

Some groups recognise a particular value as a strong aspect of their culture, while others appear to be seeking focus in that area. This table shows where groups can share their knowledge and experience of a value in support of others.

- The Company A people can help those in Company B understand how better to focus on the bottom line and to become industry leaders.
- People in Company B can help Company A build group efforts and mutual confidence between colleagues.

Current Culture Teaching Group	Knowledge Sharing Values	Desired Culture Learning Group
Company A	being the best cost consciousness profit	Company B
Company B	teamwork trust	Company A



Recommendations

THE WAY FORWARD

As diverse groups unite to achieve a common purpose, their potential for success increases when they take steps to support, promote and integrate the shared values into their systems and culture. There also is an opportunity to honour and discuss their different values to help them come to a mutual understanding. Significant potential for bringing these groups together is found when groups have something to teach each other.

The Desired Culture list shows the shared values that can bind the cultures together. It is important not to assume that certain values mean the same things to all people. Find out what the people from each group mean specifically by each of the following values, both in definition and behaviours: **cost consciousness, excellence, client focused, teamwork, accountability, leadership, being the best and trust.**

- *How can these values be promoted, implemented and supported in each group? How might they show up in the collective group?*
- *How might the groups see these values differently?*
- *What, if anything, might obstruct these efforts?*

How can you create an environment where employees can cultivate **excellence, teamwork** and **trust**? These are their Personal Values as well as their Desired Culture values.

The values of **accountability** and **leadership** are new to both comparison groups. Create focus groups to determine the direction the people want to take in implementing these values into their joint culture.

There is a wealth of knowledge the groups can share with one another to help support the Desired Culture they are requesting.

Discuss how **Company A** can help facilitate **being the best, cost consciousness** and **profit** in the culture of **Company B**.

Discuss how **Company B** can help facilitate **teamwork** and **trust** in the culture of **Company A**.

- *What initiatives, if any, have been applied to successfully promote the newly requested values from one group into the Current Culture of the other?*
- *What was successful about these initiatives?*
- *What improvements could be made going forward?*

Define a set of guiding values to align the different groups. Limit this to 3-4 maximum. Hold discussions to determine the degree of buy-in for the proposed set of values. What values do these people want to espouse as a whole group – what values do they want to focus on as they move forward? Once accepted, define what each of these values specifically means and what behaviours would be expected to support them.



Explanation of the Models

EXPLANATION OF MODELS



The Cultural Values Assessment instrument is a simple but effective means of measuring and mapping group cultures. It provides a comprehensive diagnostic of the current culture and a detailed understanding of the desired culture by examining people's perceptions of their personal, current and desired values. The results provide three perspectives:

- **Human Perspective**
- **Organisational Development Perspective**
- **Business Perspective**

The human perspective and organisational development perspective are obtained by mapping personal values against the model of the Seven Levels of Personal Consciousness, and their perception of the current and desired culture values against the Seven Levels of Organisational Consciousness.

The model of the Seven Levels of Personal and Organisational Consciousness was created by Richard Barrett and is described in his book *The Values-Driven Organisation: Unleashing Human Potential for Performance and Profit*. It represents an extension of the work of Abraham Maslow. The fundamental basis of the Seven Levels of Organisational Consciousness is that organisations are comprised of individuals, and act as living entities with similar motivations to those of individuals. The Business Perspective is obtained by mapping the organisation's current culture values and desired culture values against the Business Needs Scorecard. The model of the Business Needs Scorecard was created by Richard Barrett and is described in his aforementioned book. The original concept of the Balanced Scorecard was invented by Kaplan and Norton to give companies a balanced way of measuring performance. It is usually used as a strategic planning tool. In the Cultural Values Assessment, it is a diagnostic tool to identify where the organisation is currently focusing its energies, and where the people would like the company to focus.



Explanation of the Models

SEVEN LEVELS OF PERSONAL CONSCIOUSNESS

Distribution of Consciousness

Individuals and organisations do not operate from any one single level of consciousness. They tend to be clustered around three or four levels.

Individuals are usually focused at levels 1 through 5, usually with a particular emphasis at level 5.

Level 1: Survival

Level 1 focuses on physical survival and safety. It includes values such as financial stability, health, nutrition and self-discipline.

The potentially limiting aspects of this level are generated from fears around not having enough and not being able to survive. Limiting values include greed, control and caution.

Level 2: Relationship

Level 2 focuses on the quality of interpersonal relationships in an individual's life. It includes values such as open communication, family, friendship, conflict resolution and respect.

The potentially limiting aspects of this level are generated from fears around not belonging and not being acknowledged. Limiting values at this level include rivalry, intolerance and being liked.

Level 3: Self-Esteem

Level 3 focuses on an individual's need to feel a sense of personal self-worth. It includes such values as being the best, ambition, career focus, and reward.

Potentially limiting aspects of this level are generated from fears about not being enough in the eyes of others, and a lack of positive self-regard.

Potentially limiting values include status, arrogance and personal image.

Note: There are no potentially limiting values in levels 4 through 7.

Level 4: Transformation

Level 4 focuses on self-actualisation and personal growth. It contains values such as courage, accountability, responsibility, knowledge, and independence.

This is the level at which individuals overcome the anxieties and fears they are holding onto from the first three levels of consciousness. It is also the level where individuals begin to find balance in their lives and source their decision-making from their values rather than their beliefs.

Level 5: Internal cohesion

Level 5 focuses on the individual's search for meaning. Individuals operating at this level no longer think in terms of a job or career, but of aligning their work with their personal sense of mission.

This level contains values such as commitment, creativity, enthusiasm, humour/fun, excellence, generosity and honesty.

Level 6: Making a difference

Level 6 focuses on actualizing the individual's sense of mission by making a positive difference in the world. Individuals operating at this level seek to cultivate their intuition as their principal means of making decisions. They also recognize the importance of working with others to leverage their impact on the world.

This level contains values such as empathy, counselling, community work, and environmental awareness.

Level 7: Service

Level 7 is attained when making a difference becomes a way of life. It reflects the highest order of internal and external connectedness and shows up as self-less service to others or to a cause.

Individuals operating at this level of consciousness display wisdom, compassion, and forgiveness, and are at ease with uncertainty. They have a global perspective. They are concerned about issues such as social justice, human rights and future generations.



Explanation of the Models

SEVEN LEVELS OF ORGANISATIONAL CONSCIOUSNESS

Distribution of Consciousness

Many organisations tend to be focused in the first three levels of consciousness – Level 1: profit and growth, Level 2: customer satisfaction and employee recognition, and Level 3: productivity, efficiency and quality. The most successful organisations focus across all seven of the levels, showing Full Spectrum Consciousness.

Level 1: Survival

Level 1 focuses on growth and survival. It includes values such as profit, organisational growth, employee health, safety, and shareholder value.

Potentially limiting aspects of this level are generated from fears about not having enough and not being in control. This leads to micro-management, territorial behaviour, excessive caution and exploitation.

Level 2: Relationship

Level 2 focuses on the quality of interpersonal relationships between employees, and between employees and customers. It includes values such as open communication, conflict resolution, customer satisfaction, loyalty, and respect.

Potentially limiting aspects of this level are generated through fears around not belonging and not being acknowledged. This leads to rivalry, internal competition, manipulation, and conformity.

Level 3: Self-Esteem

Level 3 focuses on pride in performance, best business practices and effectiveness. Values at this level include productivity, excellence, efficiency, professional growth, skill development, and quality.

Potentially limiting aspects of this level are generated through fears about not being enough, and low self-worth. This leads to arrogance, complacency, bureaucracy, and power seeking.

Note: There are no potentially limiting values in levels 4 through 7.

Level 4: Transformation

Level 4 focuses on adaptability and continuous renewal. It includes values such as accountability, employee participation, learning,

Level 5: Internal cohesion

Level 5 focuses on building a sense of internal cohesion in the organisation. It includes values such as trust, integrity, honesty, value awareness, shared vision, cooperation, fairness and generosity. The by-products of this sense of cohesion are enjoyment, enthusiasm, passion, commitment, and creativity.

Level 6: Making a difference

Level 6 focuses on deepening the internal connectedness and expanding the external connectedness. Inside the organisation, it includes values such as mentoring, leadership development, and coaching. Outside the organisation, it includes values such as strategic alliances, partnerships, customer and supplier collaboration, community involvement, environmental awareness, sustainability, and making a difference.

Level 7: Service

Level 7 takes internal connectedness to a deeper level and a more expanded external connectedness. Inside an organisation, it includes values such as wisdom, forgiveness, humility, and compassion. Externally it includes values such as social justice, long-term perspective, global perspective, ethics, and future generations.



Explanation of the Models

THE BUSINESS NEEDS SCORECARD

While the 7 Levels Model examines values from a cultural perspective, the Business Needs Scorecard (BNS) places the values in a business context. By looking at the areas of current and requested future focus, the BNS can be used to help guide an organisation's strategy for long-term success. These areas include: innovation, teamwork, diversity, personal development, and knowledge sharing.

Finance

Finance looks at economic health and financial growth with values and behaviours that have a direct impact on growth, the bottom line and investor interests.

Fitness

Fitness focuses on performance, systems and processes. Values and behaviours here have a direct impact on performance, quality and the effective delivery of products/services.

External Stakeholder Relations

External Stakeholder Relations highlights relationships with customers and other external stakeholders. This area includes values and behaviours that have a direct impact on the relationship with customers, the market, suppliers, and other strategic partners.

Evolution

Evolution covers innovation, group development and learning. Values and behaviours represented here have a direct impact on the development of people, processes, products/ services and ways of thinking.

Societal Contribution

Societal Contribution indicates emphasis on social and environmental responsibility. Values and behaviours appearing in this area have a direct impact on the relationship of the organisation to the local community or society.

Culture

Culture pertains to employee fulfilment and group cohesion. The area of Culture can be broken down into three sub-sections:

Trust/Engagement

Trust/Engagement relates to employees feeling empowered and able to contribute. This area includes values and behaviours that bring people together, build mutual confidence and encourage employees to participate.

Direction/Communication

Direction/Communication shows focus on decision making and how people communicate. Values and behaviours that guide decision making and express how people communicate and exchange information are seen here.

Supportive Environment

Supportive Environment concerns employees feeling cared for and treated fairly. Values and behaviours in this area have a direct impact on how people are treated and looked after within the organisation.