

MERIT Culture CQTM

Aligning People With Organizational Values...



- ***Character-Driven Cultures Have A Competitive AdvantageSM***
- ***Character-Driven Cultures Reduce Human Capital RisksSM***
- ***Character-Driven Cultures Restore Trust and ConfidenceSM***
- ***Character-Driven Cultures Achieve Lasting Business ResultsSM***

Developing And Sustaining A Character-Driven Culture...

PREFACE

The Ethical Decay of Character Has Significant Consequences

The recent failures of major institutions and organizations in the United States and abroad have exposed the negative impact of unethical behavior and greed often associated with short-term thinking. Those practices stand in stark contrast to the positive character competencies that are essential to long-term success and prosperity.



Synthetic Authenticity (*Time Magazine, March 24, 2008*)

"The crucial factor dividing success from failure in the next few years will be whether a business is perceived as real or fake, authentic or inauthentic."

The Heart of Character

Character is a manifestation of the heart--the essence of who a person truly is. All of the preceding experiences and relationships in life go into its development. Just as the development of character takes time, so do changes, and while dramatic changes may occur, they do so very rarely. Based on that reality, it is reasonable to think that the values that define an individual's *character* are exhibited equally in their private life and on the job.

In their private lives, people make their own choices of friends, spouses and other relationships. And, as individuals, it is well known that wide differences on critical issues associated with *character* preclude long-term relationships. A relevant analogy would be similar to that of trying to mix oil and water.

In the workplace, however, employees can not as easily exercise their options as they do in their private lives. Leadership assign roles and tasks at *their* discretion, and employees are expected to work well together regardless of the mix of character competencies exhibited by participants within the group. That common, conventional, managerial strategy however, produces a fertile field for friction and conflict, and interpersonal conflict in the workplace is the root cause of the highest percentages of unwanted terminations, at exorbitant costs for replacements.



A PERSON'S CHARACTER AND BEHAVIOR ARE CRITICAL TO AN ORGANIZATION'S CULTURE!

- Honestly and integrity do matter in the workplace.
- A person's character and behavior are as important as his or her job skills.
- Character and behavior significantly impact the bottom-line.
- It is critical for a person to be "*compatible / aligned*" with a company's culture.

Aligning People With Organizational Values

Understanding Human Capital

Business success today is dramatically more dependent upon human capital than at any time in history. By some estimates, traditional “book assets” may now account for as little as 20%-30% of a company’s “value” in the market. These are the assets that are primarily physical in nature that could be sold if the company ceased to exist. The remaining 70%-80% of a company’s value is in the form of its less tangible, yet real assets, tied to the knowledge, skills and abilities of its human capital.

This is all essentially true because we have moved from an industrial economy to a service economy, where competitive advantage is tied to information technology in the hands of people, who make a difference through the skilled use of that technology.

In contrast to a mere generation ago where market value was tied primarily to the exchange of products, today’s economic activities revolve around the rapid growth in the sale or exchange of knowledge and information. This means that leveraging human capital has never been more critical to competitiveness. Organizations that recognize this reality are therefore investing in human capital with the same level of expectation for a return on that investment, as a company extracts from its physical assets.

If human capital is so important to business success, what is human capital anyway? Simply stated, human capital is the *sum of an organization’s character competencies, skills, experience, potential and capacity to achieve its business goals*. It essentially captures all of the people-oriented capabilities needed for a business to be successful. Like monetary capital, it can be invested, spent wisely or wasted.

Current Business Paradigm



Organizations today are cutting costs and restructuring their human capital assets to keep pace with market demands and trends.



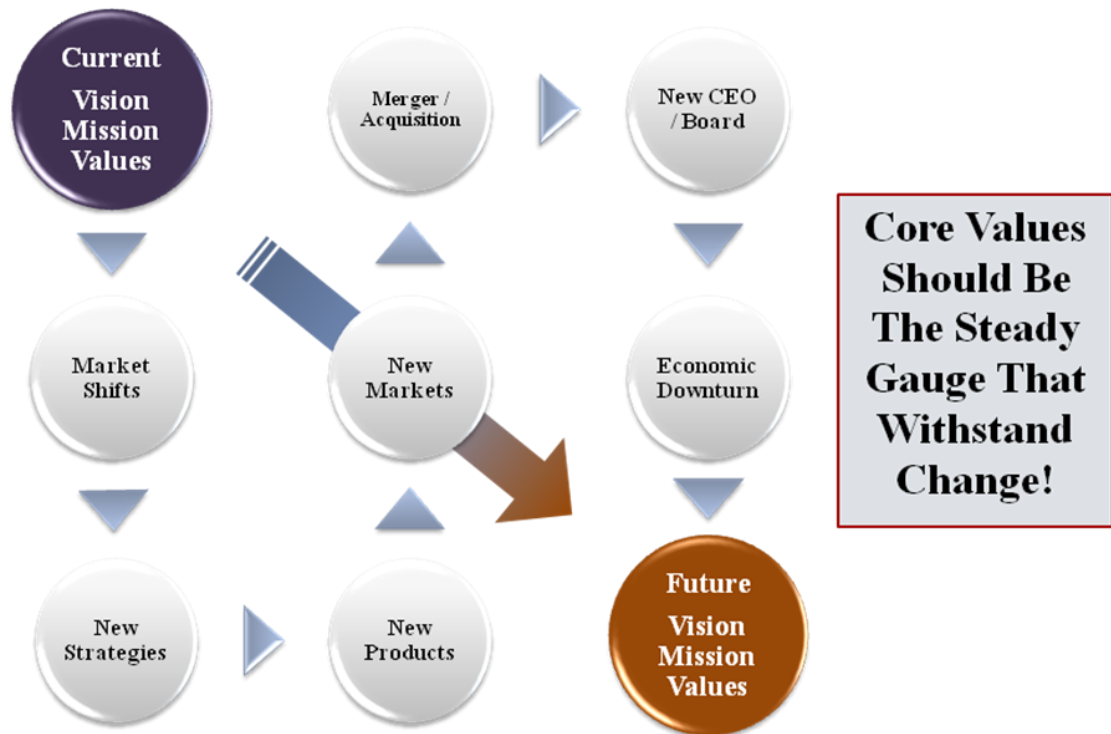
In turbulent times organizations are realizing the **VITAL IMPORTANCE** of maintaining a high level of leadership trust and a positive company morale regarding its overall culture environment.



Whether a company is on “Wall/Bay Street” or “Main Street,” **human capital is the # 1 Investment and #1 Risk**. Today, more than ever cost-effective, timely and relevant human capital solutions are needed!



Vital Factors That Can Cause An Organizations Culture To Change...



Culture Transformation

It is not necessary for an organization to settle for maintaining its historical or present organizational culture. Any culture can be *transformed* over time to achieve a *preferred* culture, based on a unique and organization-specific set of character competencies that are designed to support a well-defined vision for its future. Most importantly, when an organization is challenged with certain vital factors as outlined above, it is critical that the organization stay true to its core values if the organization is ultimately going to succeed at achieving a desired future state culture.



Hiring, developing and maintaining good employees are the core fundamentals of any successful enterprise. The cost of replacing a good employee can be as much as 150% of their annual salary. Thus, making the right hiring decisions to begin with, and developing a high-performance team is important to the long-term success of any business. Having a culture alignment tool and technology that can be integrated will decrease human capital expenses and mitigate human capital risks.

Maximizing Employee Resources...Implementing Transformation

MERIT Culture CQ Service



The MERIT Culture CQ (Character Quotient) embodies the core values, mission and vision statements within an organization. The “CQ” establishes a character profile of an organization’s human capital assets which the leadership desires to forge through its hiring, employee development and succession planning initiatives.

A customized MERIT Culture CQ enables an organization to maximize its human capital through ensuring that decisions related to selection, development and succession planning are tied to these metrics. Simply stated, an employee whose character and behavioral profile is aligned with the Culture CQ is more likely to be successful due to this alignment.

Similarly, when there is a compatibility of profiles within working relationships, such harmony leads to higher levels of *collective performance*. When an employee’s profile includes attributes that are known to be linked to success in a specific role, there will be higher levels of predictability related to an *individual’s performance and productivity*.

- ✓ Human capital assets cannot be maximized unless there is a reciprocal exchange of *value* between supply (employee) and demand (employer).

Culture CQ - What is it?

“CQ” stands for “Character Quotient.” It is a method that maps character competencies to the “Values” that underline the *Culture* of an organization. CQ is an innovative service that empowers decision-makers to:

- Assess, evaluate and understand the core values of the organization’s existing culture.
- Align the corporate culture with the corporate values to bring the vision into focus and motivate human capital to achieve the corporate mission.
- Measure the “compatibility” of any individual in reference to the company values, board of directors, the leadership team, and/or any number of other individuals, such as, managers, supervisors and other team members.
- Manage human capital with proactive interventions that minimize interpersonal conflict, reduce turnover, increase productivity, and improve overall performance.

What Is A Character Quotient (CQ)?

- ❖ A Character Quotient (CQ) is an analytic service that is applied to responses in the MERIT Profile™ (*proprietary Character and Behavior assessment tool*). A CQ identifies the strength of character competencies in individuals who take the MERIT Profile.
- ❖ The CQ Service provides measurement and a process grid that enable an organization’s leadership take action on human capital initiatives that will enhance their productivity and operational harmony.
- ❖ The MERIT Profile is an on-line character and behavior assessment and development tool, which provides valuable insights regarding a person’s DNA (*Attitudes, Beliefs and Commitments*).
- ❖ The MERIT Profile is the “connecting technology” that captures a concise and reliable understanding of a person’s character competencies and behavioral traits. This information is vital to the establishment, development and sustainment of a character-driven culture.

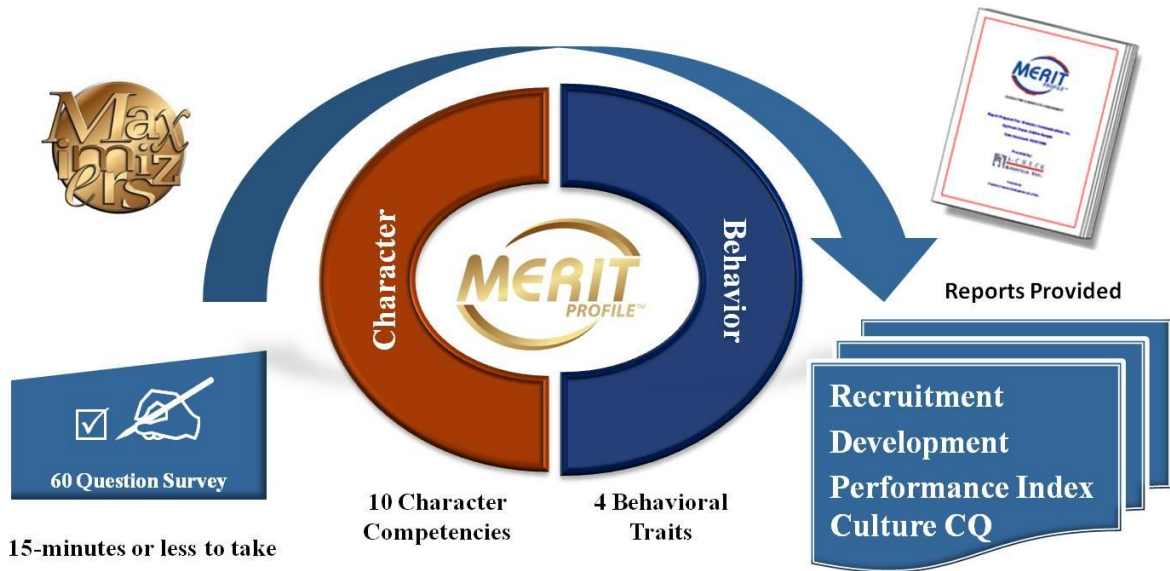
The Right People Are The Greatest Asset of Any Organization!

MERIT Profile™

Assessing Character and Behavior

Traditional assessments (*personality, behavior, competency or skill*) are not typically tied to an organization's culture, which therefore limits significantly the use of the tool. Of equal and/or greater importance, most assessment tools in the marketplace **DO NOT** assess and measure character and behavior, which are vital components that need to be addressed regarding selection, development and/or succession planning

A person's character and behavior have a direct impact (positive or negative), upon an organization's overall performance and productivity. Organizations need to better understand in advance of hiring someone how they align regarding their "compatibility and fit" to the organizational culture. The [MERIT Profile](#) is the foundation to the MERIT Culture CQ business solution.



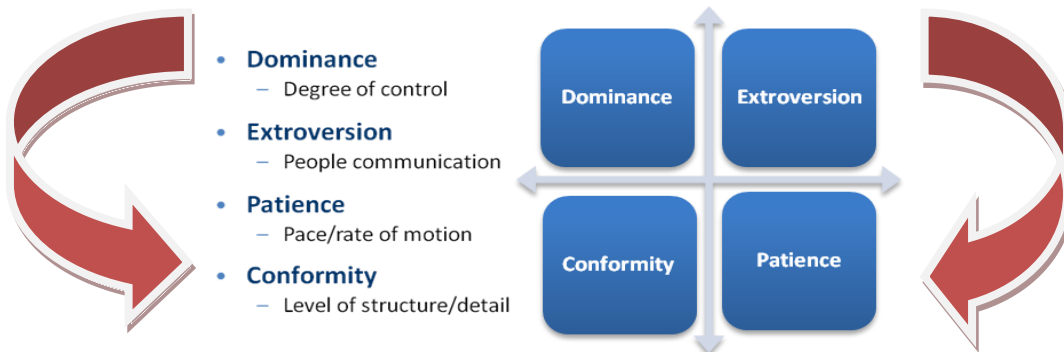
10 Character Competencies (MAXIMIZERS™ Principles)

- ✓ Researched, tested, validated in 50 countries since 1996
- ✓ Multi-cultural application / Common language

4 Behavior Traits

- ✓ Proven behavioral assessment application
- ✓ 10+ year successful track record
- ✓ 144 Behavioral Profile Constructs

- 
- Make Things Happen*
 - Achieve Personal Significance*
 - X Out the Negatives*
 - Internalize Right Principles*
 - March to a Mission*
 - Integrate All of Life*
 - Zero In on Caring for People*
 - Energize Internally*
 - Realign Rigorously*
 - Stay the Course*



What Is Compatibility Analysis?

- ❖ Compatibility Analysis is a proprietary service determining the relationship of character competencies and impact of similarities and differences on the organizational culture and performance.
- ❖ Compatibility Analysis can be preformed for:
 - Individuals in relation to other individuals
 - Individuals in relation to a group or team
 - Individuals in relation to each MAXIMIZERS™ Principle
 - Individuals in relation to each MAXIMIZERS ABC Category
 - Individuals in relation to various corporate cultures



How Are CQs Used by “C” Level Executives?

- ▶ To operationally define the current corporate culture
- ▶ To control the transition to a preferred corporate culture
- ▶ To objectively achieve a stated core values culture

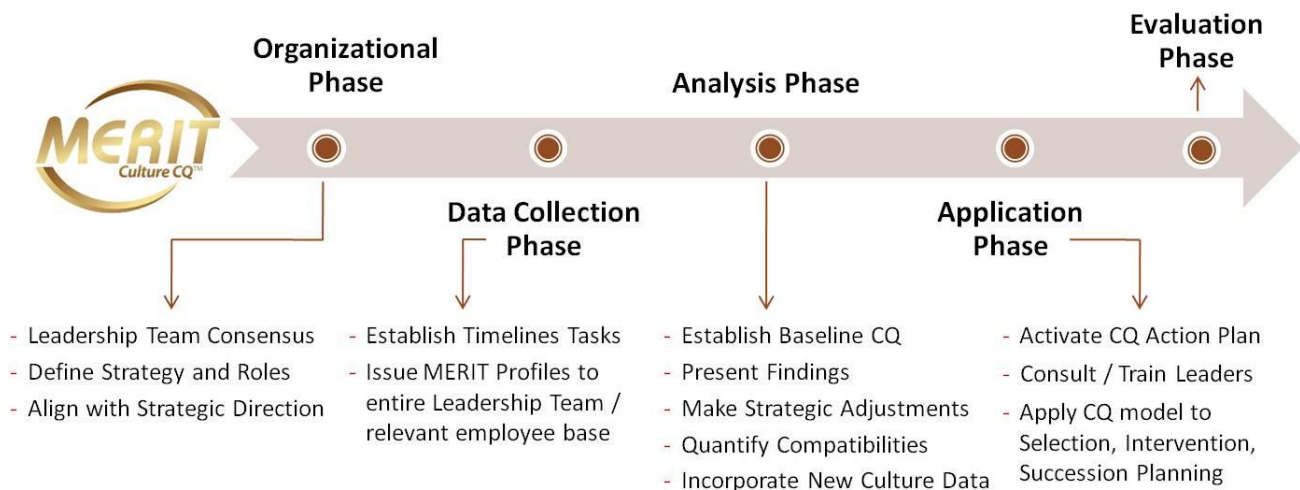
How Are CQs Used by Managers / Supervisors?

- ▶ As an effective strategy for making many important decisions in the management of human capital assets.
- ▶ For effective team building and work collaboration.
- ▶ To identify particular pairs of individuals where conflict is most likely to occur.
- ▶ To avoid work assignments that likely will lead to conflict between particular employees.
- ▶ As a practical tool for reducing turnover.

The assessment of the DNA of an organization’s human capital, combined with timely and relevant analysis, provides the quantitative information that will ultimately define an organization’s culture.

MERIT Culture CQ™ (Character Quotient)

Proprietary Patentable Process...

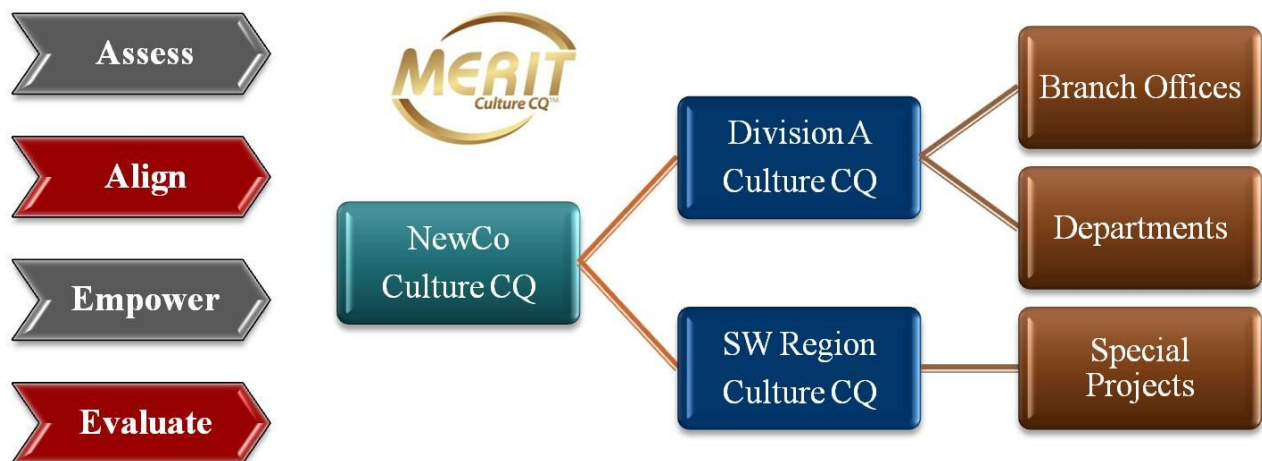




A MERIT Culture CQ Service can impact an organization in a variety of ways.

- ✓ It provides the organization’s leadership with a framework to view their organizational culture and to strategically drive initiatives that harnesses the strengths of the organization.
- ✓ It provides the organization with information that can be used to shape the future organizational culture through consistent strategic Human Capital initiatives.
- ✓ It provides the organization’s leaders and employees with a “common language” to strengthen teams around the critical business objectives.
- ✓ It provides on-going assessment and knowledge that can be used by the organization to make necessary adjustments to achieve their long-term strategic plans.

Enhancing Human Capital Intelligence / Predictability...



Summary Comments

The *transformation* from a historical culture, representing the past, to a preferred *Character-Driven Culture*, preconceived for the future, does not occur automatically or abruptly. It evolves over time as a result of executive and managerial decisions and effective application of all of the tools available to it, including the services described herein.

If you would like to complete a [Client Inquiry Form](#) a Company Representative would be happy to discuss and explore with you how our proprietary solutions can potentially align with your overall business objectives.

Contact Us

David Town, CHRP
 Your Leadership Matters, Inc.
 647-225-8696
david.town@yourleadershipmatters.ca
www.yourleadershipmatters.ca