

**Cultural entropy** is the amount of energy in an organization that is consumed in unproductive work. It is a measure of the friction and pent-up frustration that exists within an organization. Cultural entropy is one of the outputs from the CTT values assessment. It represents the proportion of votes for potentially limiting values measured in the Current Culture of an organisation. The following table indicates the performance implications of different levels of cultural entropy.

<b>Level of Cultural Entropy</b>	<b>Performance Implications</b>
<10%	Healthy functioning
10%-19%	Some issues requiring cultural or structural adjustment
20%-29%	Serious issues requiring cultural or structural transformation
30%-39%	Critical issues requiring immediate cultural and structural transformation and leadership development
>40%	Risk of financial collapse or significant performance issues requiring a change of leadership

There are four causes of cultural entropy.

1. **A lack of Personal Alignment:** A lack of alignment between the stated values of individuals and their behaviors, particularly among the leadership group. This occurs when leaders show a lack of personal integrity or a lack of authenticity – when they do not walk their talk. This leads to a lack of trust in the leadership and a lack of commitment of the employees to the organization.
2. **A lack of Structural Alignment:** A lack of alignment between the stated values of the organisation and the behaviors of the organisation as reflected in the structures and systems of governance. This occurs when there is a lack of collective integrity – when the organisation does not live up to its stated values. This leads to cynicism and mistrust, and undermines the commitment that employees have to the organisation.
3. **A lack of Values Alignment:** A lack of alignment between the personal values of individuals and the collective values of the group. This leads to a lack of coherence exemplified by silos, fragmentation and empire building. In companies with low values alignment, self-interest takes precedence over the common good.
4. **A lack of Mission Alignment:** A lack of alignment between the sense of purpose of individuals, and the sense of purpose of the organisation. This leads to a lack of focus and fragmented intention.

All these conditions lead to a lowering of resilience and a decrease in the organisation's capacity for collective action