



**BUSINESS
AT THE
INTERSECTION
OF CULTURE
AND DIGITAL
TRANSFORMATION**

An Interview Series

VOL. 3

CULTURE

IS YOUR COMPETITIVE ADVANTAGE – OR COMPETITIVE DISADVANTAGE

*Thank you for downloading
this 3rd ebook in a continuing series on
Culture and Digital Transformation.*

Since early 2017 I've been seeking out organizations who have relentlessly put Culture at the very center of their organizations. I'm overjoyed to report that it is becoming slightly easier to find world-class examples from across the globe, from every sector and at every size. Many of those amazing examples are in this ebook.

Leaders seem to genuinely be embracing the concept that culture really can be a source of significant competitive advantage. As markets become ever more volatile and growth ever more elusive, any competitive advantage should be enthusiastically supported and advocated – especially when that advantage walks straight in through your front doors every morning.

In this book you'll read how one of the largest most respected computer company's on the planet has turned a famously competitive and adversarial culture into one of deep collaboration and a new growth mindset to failure and learning.

There are two homegrown Canadian examples – both from the financial sector – that highlight that transforming a culture can pay significant dividends and turn any company into a amazing talent magnet.

There is a phenomenal Argentinian organization that surprises and inspires me every time we chat. Their Executive commitment to culture is unparalleled and their global success and unicorn status shows its working.

Finally, an organization working in one of the most ruthlessly competitive sectors imaginable – the airline industry – yet manages to consistently post record results, retain intensely loyal employees and secure ridiculously passionate customer advocates. All by putting their culture at the very core of their business. If these organizations can do it, I've little doubt your organization can too.

I hope that you find the stories here illuminating and inspirational.

More simply, I hope you find them helpful.







Affecting Culture requires grit and drive, even a degree of obstinacy, but can there be anything more rewarding than bringing trust, respect and humanity back into your organization?

I wish you Godspeed.

Hilton
Toronto, July 2018



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How a growth mindset is powering the culture evolution at Microsoft.

On the 4th of February 2014 Satya Nadella became the 3rd CEO of Microsoft, one of the first global technology titans. Many questioned the wisdom of promoting a Microsoft insider, particularly when the organization appeared to have lost its way in terms of innovation. And its stock performance had been sluggish. Four years later those naysayers have been proved spectacularly wrong. Microsoft stock has rebounded, customer feedback never more positive and, for an organization once renowned for its hyper-competitiveness, Microsoft's culture – not just its technology – is being touted as the game-changer. I had the opportunity to sit down with Microsoft Canada's Head of HR Cherise Mendoza to talk about Microsoft's Culture resurgence and how a new perspective and approach to teamwork and leadership is powering Microsoft today.

HB: Microsoft is at the epicentre of many of the most crucial business discussions happening today. In particular, that of Digital Transformation. You're also going through a Digital Transformation of your own as an organization too. How does Microsoft think of Digital Transformation?

CM: It's true. Digital Transformation certainly is one of the top priorities for any executive today. For us, we see it as the enabler of the 4th Industrial Revolution society is experiencing today. It is how businesses create new business models, create unique competitive advantage and, as we're seeing in numerous categories, disrupt or evolve markets. More specifically we look at Digital Transformation as resting on 4 pillars – How can Digital enhance the experience for our customers and for the customers they're trying to attract? How does Digital empower employees to contribute and engage inside their organizations in new ways? How can Digital deliver more operational optimization? And, not surprisingly in a “disruptive” era, how does Digital unlock or unleash new products or business models?

Those pillars sit at the very heart of what, we believe, organizations are seeking from Digital Transformation. And those objectives are one's that Microsoft is actively seeking too.

HB: Technology organizations have traditionally been driven by a focus on the technology, the classic “speeds and feeds” conversation. Are your Four Pillars changing the conversation you're having internally and with your customers?

CM: Absolutely. You're right that we, like many other technology organizations, did previously look at features and functions as the tip of the spear. That view is too narrow for today's business environment. Today it is about taking a people centric approach that looks at the entire system to business rather than



a technology-first one. How does technology fit into an organization? How do people relate to technology – like Millennials versus Boomers – and how will they use the technology? What are the organizational behaviours that we need to consider?

These are richer and more rewarding conversations to have with customers because they're about solving for the business and for the use case, not just pushing a particular solution.

HB: That change in approach must have an impact on the talent you seek to find and retain at Microsoft? Historically I imagine you looked for talent based on an ability to write elegant code, but this requires more than those technical skills doesn't it?

CM: Yes, historically we would've looked for those able to write elegant code but we're looking for different skills today. Our CEO Satya Nadella has been very explicit that Microsoft needs to be an organization that can democratize technology for everyone. That requires the technology to be simple and easy to use, to be open and accessible to everyone and to be applied to help businesses connect dots faster or inform new and different decisions. We'll always need the best and the brightest technical skills here but now we've got a broader talent requirement to build these solutions. Equally important to skillset is attitude and mindset. We are looking for "everyday learners" who have a curiosity and an openness to think about things in new and different ways.

HB: Inherently you're talking about Diversity, aren't you? That is certainly a burgeoning conversation for those organization's tackling the Future of Work and what the workplace of the future looks like.

CM: Diversity has certainly become a popular phrase in the culture discussion. We believe that it is more than just a cultural tenet, it drives everything we do. We can't build products and solutions if we don't have teams and people who reflect our customers and their customers too. Look at how multi-cultural Toronto and Canada are for example. If our teams don't understand how those richly diverse groups think, make decisions, interact with each other etc, how can we ever build solutions that help them?

But, as you talk about how work is evolving, I'm equally delighted that conversations like where you work and how you work is moving towards what impact are you having at work and how the organization can help you make the most impact.

HB: That is certainly a more mature or enlightened perspective. But that doesn't just happen organically. That requires a reorientation of leadership and the system-wide thinking you referenced earlier. Talk to me about how Satya Nadella's leadership has helped this happen.

CM: Satya is certainly a different type of leader than the two CEO's that preceded him here at Microsoft. And, while he may have a distinctly different style to Steve Ballmer, who I respect immensely, all of our Microsoft leaders have been authentic to themselves and authentic to how they saw the organization growing. In Satya's case that authenticity comes from a profound belief in having a growth mindset and a belief that a growth mindset across the organization is the path to Microsoft's success.



At its heart having a growth mindset is a profoundly different orientation to problems and problem solving. It looks at failure as learning, not as something to punish or to shy away from. That feedback is never personal but should be given, and received, as an opportunity to grow and get better. It's a very powerful way to drive development and growth but it does require the ability to have, and embrace, different conversations and attitudes within the organization.

Embedding that growth mindset hasn't meant ignoring some of the brilliant legacy that Microsoft has too. We've always been an organization with bold ambitions. Bill Gate's famous "computer on every desktop" was astounding for the time in which he said it. When Satya took over he saw the opportunity to set his own bold mission which is "to empower every person and every organization on the planet to achieve more" That's an amazing mission for us because it is as bold as any other in our history but it is also one that our people can readily say "yes, I want to be part of that"

HB: That is a phenomenally evocative mission. How, as many organizations struggle to do, are you actually making that mission a driving part of the Culture here?

CM: Deliberately and purposefully and with patience is my simple answer but it's obviously more than that. As you know, culture change or culture evolution as we prefer to think of it, is a journey. A journey that requires constant and relentless commitment. Not surprising that requires Satya, and our other leaders, to keep reinforcing it again and again in their actions and in their communications. Being a technology company gives us certain advantages in sharing knowledge and content and having more tools at our disposal but that relentless commitment is critical. And, over time, we've started to see this starting to breathe and take off inside the organization.

The other part is to keep it authentic which is something Satya has been phenomenal at.

He's remained consistent to his belief that this growth mindset is critical for Microsoft and that it is very powerful. Particularly because he's been equally prepared to say that if you're not of a growth mindset orientation then perhaps Microsoft isn't the place for you. Being that explicit about what's required at Microsoft today is equal parts bold and authentic.

Ultimately that has driven tremendous clarity throughout the organization.

For one thing it has reduced the type of internal competitiveness that used to be our hallmark. That is no longer seen as the way we'll progress the company. It's brought clarity to our strategy which, as Satya so eloquently states it, is about finding out how we make things magical for our customers and our people.

HB: Clarity is another theme that many Culture leaders speak of. How has this clarity manifest itself in the evolving Microsoft culture and the cultural practices here?

CM: Perhaps the biggest evolution is in the way we're looking at the behaviours of our people and adjusting how we define what's important. Where reviewing people on a curve was how we may have done it historically, we now assess impact based on the following criteria:

- *Their individual accomplishments relative to their team, their business and for their customers*
- *Contribution to other's success - willingness and ability to share their learnings for others to benefit from*
- *Ability to learn from others - essentially how they internalize learnings from others to drive better and more collaborative results*

Additionally, we redefined our definition of leadership across three what we call "Leadership Principles and have invited not just leaders by title to participate but everyone to essentially "lead" in their own capacity. One, not surprising is around clarity. That means having clarity of objectives and clarity of expectations and importantly, ensuring clarity on the outcomes we're looking for. Then it's about creating energy. How do you create energy for yourself and energy within the teams and projects

you are working on. We understand that everyone brings different types of energy based on their own individual style, but we wanted to make sure our employees knew that creating energy was important to Microsoft. Lastly, it's about delivering success. That means clarity of expected outcomes we are looking for from every person here at Microsoft. Back to our mission it's about making those objectives and outcomes bold and ambitious so our people can grow.

Having that clarity on what's important also means I can have a more rewarding conversation within my own team but also with other leaders in the organization.

*How are you bringing clarity?
How are you creating energy?
How are you delivering success?*

That's very powerful.

HB: Recognition and Rewards are powerful signals of what's really important to an organization. Are there other tactics you're using to reinforce this?

CM: It certainly is all about a holistic system-like approach. On a tactical level we've got diversity and inclusion decals on our elevators which may seem small but it is a nudge to say we're open to chat about this topic openly. We have growth mindset memes on the coffee mugs and each week Satya has a "Mindset Moment" that he broadcasts to the entire organization. Sometimes it's about something going on with a major initiative, sometimes just an observation or anecdote he wants to share. All of these efforts act as a subtle reinforcement.

But he's been equally consistent about this being the "new normal" at Microsoft and asking employees to look deep inside themselves and decide if they're in the boat. And, if they're not, that's okay but perhaps they should find a new boat. That's not a conversation that many CEO's are comfortable stating and standing behind, but Satya certainly is.



For me one of the interesting outcomes of this focus has actually come from a rather unusual source – our new hires. When I sit in our new hire orientation, it is not unusual to hear that Satya and the cultural evolution we’re on here at Microsoft is one of the top 3 reasons they applied to join us. That’s a fantastic recognition that our culture is becoming a magnet for talent too.

HB: How does being a technology company help or hinder you in evolving in the way you’ve described. I’ve certainly seen numerous situations where organizations think of technology, not Culture, as the answer.

CM: I’m glad you asked that. We’re a very data driven company and we always will be. It’s in our DNA. But we’ve got remarkable tools like our Workplace Analytics tools or our Power BI that allow us to use data to see how we’re actually performing and where we need to reconsider how we’re doing things.

Case in point, we had an annual business review process that was a watershed moment for our people. Over the years it had evolved into this monster where it took teams of 30 to 40 people several days to prepare for this important meeting at our Redmond headquarters. We ran our analytics tools over that process and quickly realized we were stacking up thousands of hours of opportunity cost doing these reviews in the way we were. We quickly started

implementing changes and we’re better for it. That data and analysis – essentially us eating our own dog food – is where technology can be a remarkable tool in tackling culture.

HB: An amazing answer. Thank you. I always try to end by asking what lessons you have for your HR and Culture compatriots out there facing some of the same issues?

CM: That’s tough because every culture is unique, and my challenges might differ significantly from others. Here’s what I’ve seen from my vantage point here at Microsoft.

Firstly, you need to understand your culture intimately. Understand what serves you as you’re moving forward and what you can let go. That’s critical.

Secondly, take a system-wide view to understand what and why you’re changing. Ensure you have that context before making any change.

Lastly, and I credit Satya for this one, be authentic and genuine to yourself and your culture. All cultures are unique, so you can never lose sight of that.





Why expectations are at the heart of the culture at Southwest Airlines.

For business executives and Culture enthusiasts alike, Southwest Airlines has attained an iconic status that is almost unparalleled. Since its maiden flight in March 1971, the organization has garnered almost every accolade and award possible for leadership, innovation and Culture including consistently placing in Fortune Magazine's coveted "The World's Most Admired Companies". So how does a plucky airline, operating in one of the most competitive categories on the planet, continue to win awards, enjoy legendary levels of customer and employee devotion and loyalty and still operate as a low-cost carrier? Time and again, the answer points to Southwest Airlines unique Culture. I had the wonderful privilege of chatting with Cheryl Hughey, Managing Director Culture at Southwest Airlines to understand her perspective and understand what has allowed Southwest to create such a unique environment.

HB: Cheryl, this is a real pleasure and I appreciate you taking the time to talk Culture. With Culture becoming such a key management topic, you must be inundated with these calls.

CH: <Laughs> We certainly love to talk to folks who are interested in Southwest and our Culture. We believe we have something special here and are proud to demonstrate the heart that makes us Southwest. We try to share our story with those who are genuinely interested when we can.

HB: I always try to ground these conversations in that topical word "transformation". Can you talk to me about the transformation that Southwest, or your sector, is going through right now and the direct impacts that's having on your people and our Culture?

CH: Transformation isn't really a phrase we use. We prefer Evolution because that's more aligned with how we think and operate. We've been on our journey for 47 years and now have almost 60,000 employees but we've always been about being nimble, being customer and Employee focused and being swift and decisive to keep us competitive. That has always been in our DNA but we're now thinking about different ways we have to deliver on that.



What has been critical for all of us at Southwest has been to clarify our Intent, and not just our Aspiration, as we move forward.

That intent is captured in our Vision, which is “To become the world’s most loved, the most flown and the most profitable airline”

The simplicity of that line means we all have absolute clarity on our intent – and we can start to focus our individual and collective energies against that.

HB: That’s certainly a very bold vision. Why has that been important to develop for Southwest?

CH: To be honest, clarity of our Vision has only come into focus in the last five years. Our Values, which we historically referred to as the Southwest Spirit, propels us to reach our Vision. The Values are what we now call Living and Working the Southwest Way with three main tenets: Warrior Spirit, Servant’s Heart, and Fun-LUVing Attitude. These Values encapsulate many of the fantastic behaviours and attitudes of our people. Clarifying these expectations for all Employees was a critical component we needed to make – particularly as we’re now hiring upwards of 8,000 people each year.

Where the Vision has had significant impact is that it sets up a charge for everyone to perform as one Team to achieve. It clarifies what is imperative for our employees to focus on and why that focus matters.

That then cascades down to specific actions like “what are we recruiting for?” “What are we holding employees accountable to?”, “What do we need to equip our people and leaders with to be successful?” and “How and what do we reward and recognize?”



Ultimately, for each one of us this Vision defines what is expected of us individually, how will we be held accountable to that expectation by Southwest and, equally important, what reciprocal expectations should we have of Southwest. That clarity is critical.

HB: That’s a monumental undertaking for a company of 60,000 and growing. How have you instilled this Vision and clarity across the organization?

CH: We have a very important tradition here that we call “Rally Season” each February. Its where our entire Executive team physically gets out in front of our teams and makes themselves available for questions, for sharing stories about where the organization is going and, as you said earlier, how we keep trying to get better in such a competitive market.

Of course, because its Southwest, we have a lot of fun with it too. And while its not entirely about having our CEO Gary Kelly appear in a Halloween costume, which he has done, it is about showing that each of us are held to the same Southwest expectations – which includes never taking ourselves too seriously.

What we do take very seriously though is communicating that competing against ourselves is not part of our Culture here at Southwest. That means demonstrating, at all levels, Respect, Care and Collaboration are critical to our organization’s well-being.

If we constantly demonstrate that care, respect and collaboration to our employees then it becomes something that they naturally demonstrate and live with our customers.

That is why, culturally, the “Rally Season” is so important for all of us at Southwest.

HB: I’d love to see those pictures of Gary by the way. Rally Season highlights what seems to be an incredible commitment to Culture – and all employees – here at Southwest. Why isn’t that commitment more prevalent across other organizations do you think?

CH: I’m sure we can dig out a few photos of Gary. <laughs> While I can’t speak for other organizations, here at Southwest, our commitment to these efforts is never up for debate. The amount of heart our founder Herb Kelleher had for our Culture was legendary, and our current CEO and Chairman Gary Kelly is equally committed to our Heart. I’m very fortunate to have frequent discussions with Gary and the sensitivity he has for our people is incredible. He is always asking if we’re doing the right thing by our people and ensuring that they feel the Southwest love.

Culture can’t be a program and it certainly can’t be something you switch on and off depending on how your organization is performing. That just signals that its lip service and not really that important to your organization. And employees know that. You can’t hide that from them.

Culture has been something we’ve believed in from Day 1 and we’d not sacrifice that commitment and investment for anything. Otherwise we couldn’t legitimately call ourselves the company with Heart. That’s very important.

HB: That is a fantastic orientation and Southwest is fortunate to have had a founder with that enlightened perspective. However, I see any number of organizations operating under a perpetual 90-day or quarterly cycle where they’ll make decisions in the short-term because of market pressure. Can you comment on staying true while under significant pressure to perpetually grow?

CH: I can certainly understand that pressure and we’re certainly not immune to that call for growth and financial returns. Let me give you an example of how our commitment plays out and why we believe it is the right approach to achieve that growth and those returns.

Seven years ago we acquired this incredible airline called AirTran. To give you a sense, that meant integrating 8,000 AirTran employees – many who proudly and genuinely loved their company – with 35,000 Southwest employees. That is no small undertaking but it was critical to us that we were particularly sensitive to how we manage the Cultural integration piece. After all, AirTran had some fantastic traditions and celebrations and their employees felt passionately about their airline.

And we certainly didn’t want to lose any of that as so often happens in acquisitions and mergers.

Our consultants at the time were amazed that we were so concerned by that because they hadn’t seen that be a consideration in other acquisitions or mergers they’d done. But it was critical to us.

“How would an AirTran person feel about that gesture?” “How might we get an AirTran person to actively be part of this transformation?”

Ultimately it came down to “acting with heart” as we always try to do here. If in difficult times we always chose to act with a good intent and make sure our focus is on leading with heart, we’re confident we’ll do the right thing. Not always of course but more times than not.



In the end we created a “Wingmate” process where each and every AirTran person was paired with a Southwest person so they could get to know each other personally, share stories and get to know how we were actually remarkably similar in how we operated. Ultimately it was about doing everything to create a genuine “One Team” attitude which is very close to our heart.

Our consultants were surprised but, for Southwest, these decisions aren’t just about a positive financial outcome but it’s as important that the Cultural outcome is positive too.

HB: Wow, that really is a commitment to Culture. Particularly in an activity like an M&A. Kudos. Is there ever been situations where you’ve gotten the Culture piece wrong? Where you’ve misread your employees or over-stepped? Does that ever happen here?

CH: I’d love to say we always get it right. We don’t. It is a very fine line to ensure that we always have the employee voice present in the decisions we’re making and we certainly have many amazing employee councils feeding into the process. That’s about being diligent. But even then, we make mistakes.

Here’s an example that might seem small to an outsider but it was significant for our employees.

When we undertook our beautiful brand refresh five years ago – putting that beautiful heart on all our aircraft, uniforms etc – we unveiled a new design for our service anniversary commemorative pins. You have to understand how these pins are cherished in our industry because they symbolize tenure and, in many ways, that person’s commitment to an airline. It’s huge.

Well when we unveiled the newly designed pins there was a huge employee outcry. How could we change an icon like that? Why were we changing the culture here at Southwest? So we took this to our CEO Gary and he said “Okay, maybe we need to just pause on this part of the refresh project and engage our people a little more” So we went out to get employee comments – and did we get a lot – but we also asked them to submit ideas, submit designs and so on.

Ultimately we arrived at a design that our employees adored. Equally important we showed that we could acknowledge where we’d made a mistake and how we’d tried to genuinely address that. It was a small example – especially when viewed from the outside – but it was an important example of that caring, respectful Southwest attitude we talked about at the beginning.

HB: For an organization with such a commitment to people, you must be drowning in job applications to join Southwest. How do you handle recruitment and training in a way that ensures you're positively impacting your Culture?

CH: We are very fortunate that we do receive a large number of applications to join Southwest. Its important to point out – back to those expectations – that each new opportunity is posted internally first. That's about ensuring our people who've grown here at Southwest get the first opportunity to keep growing.

To give you a measure we have had over 28,000 applications for 1,400 flight attendant roles. But its not just about the numbers its about ensuring we can align for Values fit and that processes like our Onboarding efforts are aligned too. After all, Onboarding is the start of our relationship with an Employee and it's a key moment to highlight our promise to them around care and respect. It sets the tone for living up to the expectations we have of each other.

The other part is the changing face and expectations of the workforce. We talk a lot about Millennials and their job expectations but we think it's as critical to think about Boomerangers who leave but want to come back. We're seeing Millennials being around 50% of our New Hires and setting up expectations with that group is just part of an inevitable evolution we're going through. We're certainly very proud of how low our turnover is – less than 3% which is remarkable – but we also need to set that number in the right context. Certainly many people join us as their 1st job and it either isn't what they thought it was going to be, which is okay, or – as we're seeing with some of our Employees – that this job is a stepping stone to another adventure or a different path. That's okay too.

HB: Cheryl, this has been incredibly insightful and an absolute delight. I always ask my interviews what advice they have for others grappling with these Culture related questions and struggles. What advice do you have to share?

CH: Well that's very kind but we certainly don't have all the answers. What we are always happy to do is share the lessons we have learned.

Here's a few that stick with me from my time here at Southwest.

Do you have the right leaders in place? Leaders that are absolutely committed to leading according to the values your organization has determined are critical.

Are you absolutely clear on what those values are? Clear in terms of what expectations are set for your people and what your people can expect of the organization. That two-way street is crucial.

Finally, what is the commitment you're prepared to make in real terms – that means actual dollars, actual time and actual people devoted to this – inside your company.

Like any endeavor the outcome is directly related to the commitment you're prepared to make.

I hope that answered your question Hilton.

HB: 100% - for an organization with Heart, and one that prides itself on Love, that was a perfect response. Thank you so so much Cheryl.





How Argentina's GLOBANT is using culture and technology to drive transformation.

The greatest delight running this series of interviews on Culture and Digital Transformation is the exposure to incredible organizations doing really smart work. Organizations that I may not have come across in the course of my daily work. Globant is a fantastic example of this. Founded in Argentina, Globant has been recognized by everyone from IDC to Fast Company and East Capital for their Innovative Products, Growth and Corporate Governance. What I was not prepared for is how deep their belief in Culture is. For the Globant Executive Team, Culture is not a “nice to have” but a core part of the organization’s backbone. I caught up with co-founder and CTO Guibert Englebienne and Sanja Licina who leads their Future of Organization’s Studio from their offices in beautiful Buenos Aires.

HB: Overjoyed to be chatting with you both. I must admit I was unaware of Globant before we connected but your organization is very impressive and certainly has a fantastic track record and enviable client list. Can you tell my readers a little of your history?

GE: Sure. I sometimes forget that, in some regions, we’re not as well known even though we’ve been working with some fantastic clients for over a decade. In that time we’ve grown to almost seven thousand employees in 37 Globant centers across 12 countries. Of course deep roots in Latin America, where we’re seen as one of Argentina’s “unicorns” and, as you would expect, a growing and vibrant US and Asian footprint too.

We started 15 years with, as I joke, \$5,000 and the blessing of a Buenos Aires’ bartender but since that time we’ve seen explosive growth and some great achievements. Google were one of our first key successes when we started working with them in 2006. That accolade has opened numerous doors for us and, touch-wood, explains why we’re running over 1,000 active projects for clients at any given time. We’ve been fortunate but, as any founder will tell you, that has required some real introspection since we started. What are we trying to build? What is the impact we want to have?

HB: I can just imagine. 15 years in the technology services space must feel like a lifetime when you consider how much has changed in that period.

GE: Early on I was fortunate to have a very profound conversation with an old friend and respected marketer here in Buenos Aires. He asked me what business did I think I was in. Perplexed, I told him I was obviously in the technology business. He laughed and told me the example of Kodak who thought they were in the film business but if they’d

acted as if they were in the memories business, their end might not have happened. One other example that really struck me was the film director who said his job was to transport his audience to a magical place and back safely to their seats at the end of the movie. It genuinely caused me to think long and hard about what business I wanted Globant to be in – and it wasn't just going to be the technology business.

Finally it came to me. Globant was in the fitness business or, more specifically, Globant was in the personal training business.



HB: Excuse me, Globant is in the Personal Training business? You're definitely going to have to give me some details on that.

GE: (Laughs) That's exactly the reaction I got from my fellow Globant executives. Let me explain.

We're helping our clients build the stamina and the energy to fight the strongest (business) challenge they've ever faced which is digitally transforming their business. Our job is to help them get ready for that. To build their strength, their flexibility, their mental attitude. We're just doing it to their company.

That description also helps us avoid the rather unfortunate phrase – Digital Transformation – which I think is wrong. What we're talking about is a complete rewiring of the organization. Look at it this way. 25 years ago if you were considering entering into Retail, you'd look at WalMart and try to see how you'd compete against them. Today your reference is Amazon and that stretches beyond Retail. You're now considering how you win, or defend, against an organization with roots in Retail, Film, Mobility, Distributed Web Services, Space Exploration and even Media with Bezos' ownership of the Washington Post. That needs an entirely different way of tackling the problem that goes beyond Transformation.

HB: I can see how the complexity of competition has changed. So, as a personal trainer to organizations, what is Globant's perspective on how to win?

SL: We believe there are five critical components that an organization of the future needs to master. In many ways these have come from our own internal experiments within our company and now, we're trying to help companies navigate them too.

Culture. The critical need for every employee to feel valued, to have a voice and be able to bring their best ideas and energy forward every day. Empowerment is part of it but it's about channeling and reinforcing that.

Strategy. What are the opportunities the organization really needs to pursue, that could create the most impact. Looking at the intersection of what consumers are expecting, technology is allowing, and organizational strengths.

Execution. An organization has to deliver. Build and ship products. Get stuff done and into the hands of customers and partners. Simple as that.

Technology. We need to pave the way to get ideas to market faster, cheaper, with less friction and internal stress. Sorting the underlying infrastructure is key.

AI. AI unleashes scalability of the business. It's about finding the balance between what humans can do remarkably well and machines can't. Where machines can help in a profound way and allowing the employees, the people, make a difference in a way that only they are able to. That balance is critical.



Within Future of Organizations, we're actually trying to see if we can make organizations think and act like a living organism than a set of departments and divisions.

HB: I've heard a lot about organizations as living organisms. How is this informing what Globant is creating for their clients?

GE: To us, many organizations have suffered from severe misalignments which keeps holding them back. Many of those are cultural in nature which is why we place so much importance on culture. Misalignment between those setting Strategy at the top and those tasked with executing it at the bottom. Misaligned objectives which creates siloes, hampers true collaboration and means the organization can't learn. Just think how much personal information we've given to banks, airlines, car companies, hotels, etc. yet as organizations they still struggle to make sense of it and provide great service.

We've seen organizations build transactional systems like SAP/ERP. Then build collaborative systems like

Slack, gmail but what's been missing is systems built on human behaviours and human qualities like creativity and empathy.

Systems that are more like amniotic fluid than anything we use in organizations today. Think of them as systems that surround, nurture, feed, shelter and provide growth for the people inside an organization. Those would be truly transformative.

This began as an experiment internally here at Globant and we're poised to release it to other organizations that want to build something similar.

HB: I love the idea of Cultures that are like an amniotic fluid nurturing employees but how does that happen within Globant. What are these experiments and what have you learnt?

GE: Early on we realized the futile idea of putting "company values" posters around our buildings and calling that our Culture. We also were watching an explosive growth in the number of Globant employees and offices and seeing, first hand, what happens to when you grow from 100 to 1000. Initially you know everyone's name, hobbies, wives and favourite football teams but then you're getting in an elevator and you know one person in ten. That start-up connection, camaraderie and intimacy gets lost quickly.

We wanted to see if we could build something that kept that connection alive but, because we're data geeks too, could give us meaningful information on our people and our culture.

So we built a holistic organizational system that we recently launched as the StarMeUp OS. They began as a number of applications to address elements like social reputation, social recognition, performance and connectivity. So unlike those old school posters, we



wanted Culture tools to be inherently mobile so we could leverage all the great things mobile tech has brought us. Accessibility, ubiquity because all our employees would have it, instantaneous reaction and participation. All those classic “micro moments”. But the results we saw internally – and what we’ve subsequently learnt – were remarkable.

We immediately saw that we could map the levels of integration and collaboration between teams, projects and even individuals across all our offices. How well a new office was integrating with existing offices. It helped us identify people (culture carriers?) who were the unsung and invisible heroes who connected teams and drove integration of projects. It was fascinating. In fact it was so helpful identifying these integration people it helped us know the perfect team to assist one of our new offices who were struggling to integrate with their regional partners. Without the data I can guarantee we would, like most other companies, have sent people based on their job titles. These applications helped us send people with the right skills, not just the right job titles, to get it done right.

HB: That’s an incredible example, particularly because many organizations realize that the real source of smarts in their buildings aren’t always the most senior, most tenured. But identifying these “hidden” assets is incredibly hard.

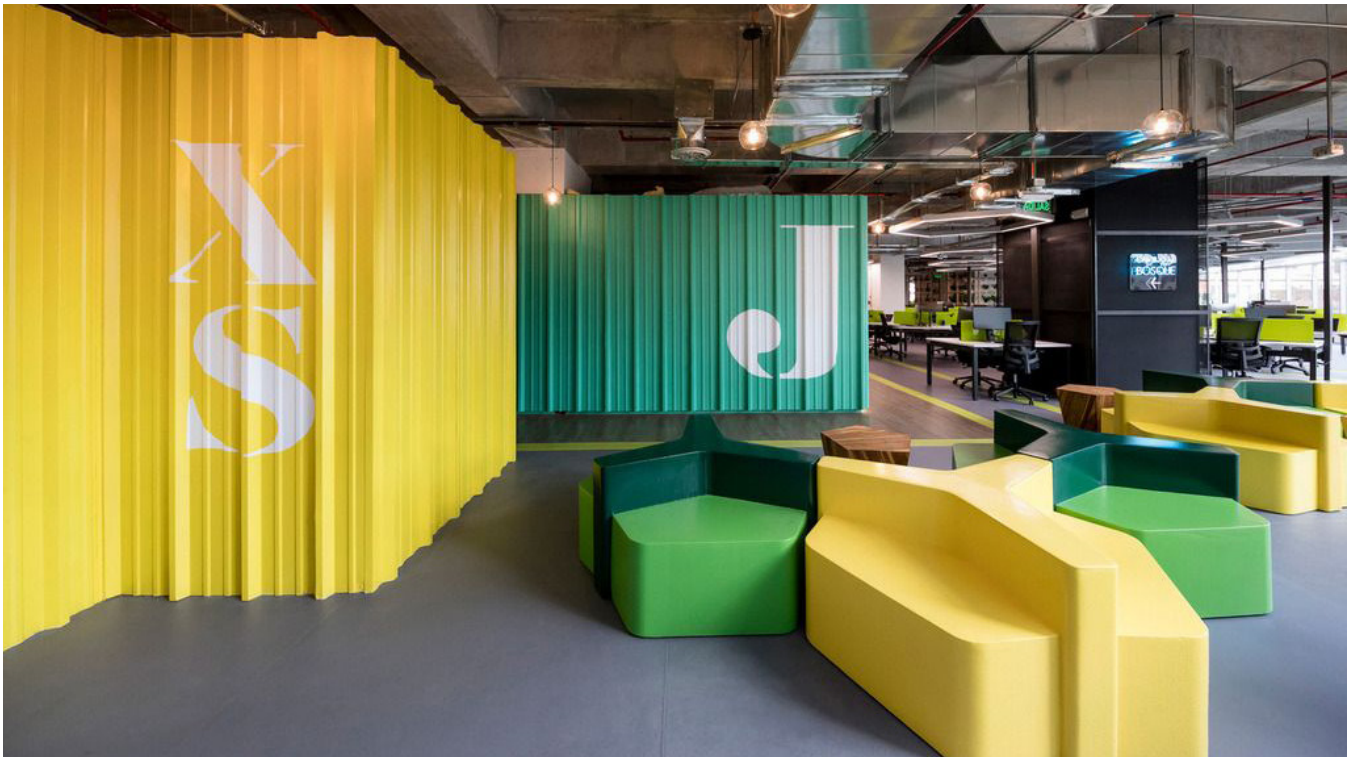
SL: Yes, that’s why we were focused on trying to build systems – that amniotic fluid – which could provide immediacy because we knew immediacy often has the most impact with people. Be it recognition, or participation, immediacy is critical. The mobile technology was the mechanism but it had to be about creating more humanity in how our people worked together.

Ultimately, without humanity, we believe organizations of the future will fail. We see participation building intrapreneurship and that builds competitiveness.

That’s what organizations are desperately looking for.

HB: That level of immediacy and transparency sounds fantastic but doesn’t that require a rather unique organization? An organization – or set of leaders – that aren’t intimidated or worried by that openness.

GE: You’re probably right but we think that kind of openness is the only way organizations of the future are going to have to think and act. Hierarchies may have worked in the last century but they’re arcane and outdated for how people want to work today – and how organizations need to structure themselves.



That means leadership that doesn't rely on shouting orders to junior people but leaders who see their responsibility as one of creating conditions for success. Conditions where teams can self-organize and where employees are employed around finding solutions rather than being allocated according to rigid hierarchies.

And where those conditions are generating droves of data so the organization can observe, can learn and can adapt. That's the only way anyone can hope to be successful. If they're unable to be fluid, then they'll lose to the competitor who is.

HB: This discussion of an amniotic, fluid and intelligent organism has really been fascinating. I always ask what advice do you give new Globant clients who approach you to discuss Digital Transformation?

GE: We've covered much of it already but when it comes to building the right culture specifically, I always come back to the mindset. Is your mindset considering the impact at each and every level of your organization of this transformation? Have you got a way of selling the dream of your transformation

but also a way to ensuring the dream is actually taking root and happening. What's your ability to know or map your Culture? Can you see where resistance is forming or change is accelerating? Which teams are actually transforming or which need help and more guidance? You can't transform without having that in place.

Of course, it certainly helps if you know what business you're in too. (Laughs)

HB: Phenomenal chat guys. To find a technology company - sorry Fitness company - so driven by Culture is absolutely fantastic. Thank you so much.

EB/SL : Our pleasure. Gracias y tenga cuidado Hilton.





How transparency and a steely ambition is guiding the transformation of RSA Canada.

I've been very fortunate to interview numerous incredible brands and businesses as part of this series on Culture and Digital Transformation, none though that have as rich a history or legacy as insurer RSA Canada . According to Mark Edgar, SVP HR for RSA Canada, and the good people at Wikipedia, RSA can chart their history all the way back to the aftermath of the Great Fire of London in 1710. Now that's a Culture legacy that few organizations can compete with. I sat down with Mark in the very modern glass and steel offices of RSA Canada to discuss how the Insurance industry is tackling Digital Transformation, why Transparency is such a critical Leadership quality and what "The Purple Thread" means for RSA's 3,000 employees.

HB: Wow, 1710 was when RSA was formed? That's an incredible legacy Mark. Can you provide some further details about the organization and your role?

ME: Absolutely it certainly something we're quite proud of but, as you can imagine, RSA has also been part of several mergers and acquisitions over that period. What that has created is a genuine resilience and adaptability at the core of RSA. I think of it as this quite subtle steely ambition that we have. It certainly is a factor when you consider that, as an insurance organization, we are always thinking how we can better serve our clients. They come to us at the toughest moments in their life - a car accident, an incident at their home, a business continuity issue - and we have to be at our very best. That doesn't just mean being empathetic to our clients but also being highly collaborative and nimble internally to help them. I've been part of RSA for seven years now and it has been an incredibly rewarding journey.

HB: The Insurance category has been earmarked as one fit for disruption and there are certainly several FinTech start-ups with their eyes on Insurance. How much of a factor is Digital Transformation for RSA?

ME: The Transformation agenda is certainly well recognized within RSA. We're seeing it in many ways of course, from the consolidation of our competitors as they look to add new offerings and grow through acquisitions, but equally we're seeing it in our client interactions too. Client expectations are higher than ever before and believing you're exempt from delivering against those expectations because you're in insurance and not UBER or Starbucks is ridiculous. In some ways, because we're traditionally seen as a "grudge" purchase, we have to be even better in meeting those expectations. So yes, we've had to find



strategic ways to tackle this business need. We've hired in new skills as well as building the skills of the existing team and had success and struggles with both approaches - there is no silver bullet.

For RSA we've stepped back slightly and taken a broader lens to how we were going to transform. It means paying close attention to how we act and behave.

For example how we deal with mistakes when we're asking people to do new untried things. What's our attitude to risk? For an insurance organization having a risk threshold is critical when you're involved in underwriting, but how do you create an cultural attitude to risk that lets team members experiment in how they deal with clients. These are examples of what I mean about taking a broader lens than just making everything an exercise in agile.

HB: Excellent examples, certainly within your category. I can imagine redefining what "Risk" might mean across three thousand employees must've been an interesting exercise. How did start to understand all these dynamic parts of your Culture?

ME: I was very fortunate that I was given the opportunity to do several diagnostics across the organization before we really got underway.

For an organization with a cultural affinity to empirical data it seemed prudent to try to capture as much information as possible from the beginning. (Laughs) You might say we overloaded on data - a bit of survey fatigue - because we asked our employees to fill out not one, but three, pretty exhaustive sets of surveys. One survey was on D&I (Diversity & Inclusion), one a hybrid engagement survey and then a very comprehensive culture mapping survey too. This meant a tremendous amount of data but, equally important, it created a lot of awareness internally and raised the expectation that we would actually do something with the insights. It was a great way to get the culture conversation circulating at all levels inside RSA.

I can't stress the benefit of being able to give our employees a voice in how we're charting the future of RSA but, equally important, it gave us a way to start building a common language and common definitions across the organization.

When you're literally spread out across Canada from Vancouver to St. John's, common language is critical.

HB: So from all this data and insight into the organization and your employees, where did you start to make modifications? Where did you start?

ME: I think it's key to stress that we didn't launch into all this Culture review and introspection without a clear purpose. From our CEO and across the

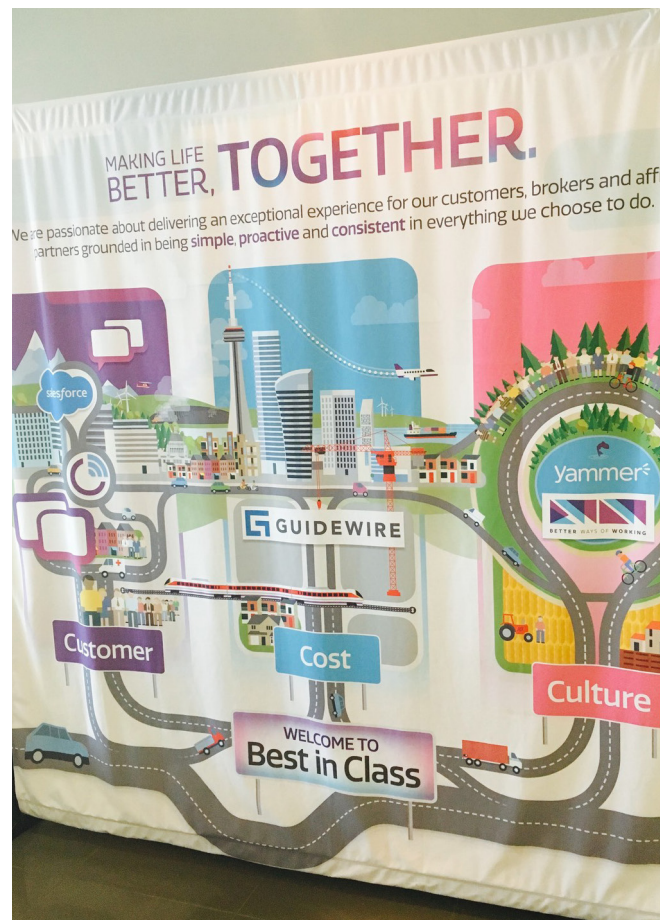
Executive team there was an understanding that if we wanted to keep progressing RSA – remember that steely ambition I referenced earlier – we needed to look at our Culture more explicitly than perhaps we’d done previously. Setting this effort within the context of improving the overall business was key to getting parts of the organization onboard.

We’ve made great strides and had some very symbolic initiatives to highlight how committed we are to refining our RSA culture, but we’re by no means finished. For example we’ve defined four key Leadership attributes – Winning Mindset, Customer Driven, Performance Coach and Open & Transparent – and are now looking to codify how those attributes translate into real behaviours that we can track, measure and improve. We’re also having an interesting – and inevitable – conversation about whether these are just “Leader” behaviours or expected from all team members, what defines a “Leader” and so forth. These are fascinating and important conversations that naturally bubble up in these exercises.

Our CEO Martin Thompson is particularly clear about the need to build a “winning mindset” within RSA Canada and that means we’re placing more emphasis on not defaulting to previous attitudes. In simple terms, that means looking at challenges as new opportunities and thinking how we might try to solve them versus throwing in the towel. It’s the potential to add “AND” into situations rather than compromising by making it an “Either/Or” decision.

HB: Three thousand distributed colleagues is a sizable group by Canadian standards to refine or modify the Culture around. Were there struggles as you went through this journey at RSA?

ME: Absolutely but then that’s to be expected when you’re dealing with all the nuances that come with an organization geographically distributed, that has employees with different tenure and comfort with the existing ways we do business and is in a category under pressure to adapt.



Several things stand out for me now having been through part of the journey.

The critical need to provide context for the decisions being made and sometimes, the decisions we chose not to make. That’s part of our commitment to being more people-centric but that’s not without its challenges.

For example we went to great lengths to set the business context for why we were going to look for cost efficiencies within the organization. In our business we’re very conscious that we are unable to control the weather but we can control our operating costs and be more judicious where we invest our money. Providing that context – perhaps more fully than we might’ve done historically – was an important action for our senior leaders.



The other part was a real focus on change management principles to ensure we could keep the internal momentum going. Fortunately our HR Team went through a rigorous change management certification so we all had the requisite skills and the common language to deploy that within RSA. We also had the full backing of our CEO who had seen the benefit of strong change management when he was working within our Scandinavian business. That endorsement certainly helped.

And then executing some “quick wins”, or highly symbolic actions, to show the organization that change is happening and that we’re committed to this initiative. I was particularly proud of how we were able to create a more fluid working environment when we collapsed our operations in our Toronto head office from five floors to two. Ordinarily that kind of change that sees artifacts like personal office space become hot-desking can have a negative impact if not handled sensitively. Under the banner of a program we called “Better Ways of Working” or “BWOW” we issued all our employees a “BWOW-ance” gift card so they could choose the personal tools they needed to be productive in their new

spaces. We were keen to instill a new way of working within RSA and giving employees the ability to define how that might work for them individually was important to creating a sense of personal ownership.

We’re six months into many of these changes but I’d say these principles have kept us focused and given us some rigour to how we make certain changes.

HB: You’ve referenced CEO Martin Thompson several times as an important part of setting the pace and direction of this initiative. What has been the role of Leadership at RSA and how is that evolving?

ME: Martin has been instrumental in putting Culture on the agenda here. He’s been at RSA for much of his career and has witnessed the impact of leadership in creating high-performance teams while he was working in Scandinavia. While I am the type of personality that likes to push forward on several fronts simultaneously, Martin has been emphatic that we need to ensure we focus and execute brilliantly. In his mind, if there’s one lever that must be pulled for success, that lever should be leadership.

Concurrently it is also about finding a leadership philosophy that makes sense for your organization. There are so many leadership models out there but we need one that fits for RSA.

For example, when I mentioned change management earlier I think that's important but I also have a strong opinion on elements like change leadership. Where Management is the actual process of managing change, Change Leadership is how Leaders prepare, coach, mentor and instill confidence in Change - how they prepare their teams for change. I feel strongly that Change Leadership can often be more important than the process itself.

The great thing is that while we have defined our Leadership Expectations we're still defining our leadership philosophy here at RSA. That means plenty of opportunities for robust debates and discussions on what makes most sense for us.

HB: I appear to have caught you right in the thick of your Culture transformation Mark. That's quite amazing because you're still figuring some things out, experimenting with new ways of working. What do you say to folks considering setting out on this journey?

ME: I think the most important task is finding a way to attach the Culture conversation to a burning platform affecting the business. Culture can be an intimidating topic for many and feel like an exercise in boiling the ocean. If you can't draw a line between Culture and something happening in the business, then you'll struggle to get commitment and buy-in.

I find if you ask really provocative and probing questions then you're able to open up the Culture conversation in a thoughtful way. Where is our company going to be in a decade? How are we going to compete if the company keeps evolving in this way? What kind of Culture are we going to need to have in order to be competitive? Having that kind of curious and inquisitive mindset can be enormously helpful.

Finally, just do something. Something tangible, something symbolic, just do something.

Nothing gets the Culture movement going more than something your people can point at or experience.

Diagnosis and data are crucial but don't let that paralyze you. Go out there and do something.





How ATB Financial is leading their digital transformation – starting with their culture.

Disruption and Transformation are regular topics in any discussion related to the Financial Services sector. From Banking to Insurance, the volume and veracity of debate about Digital Transformation is at fever pitch. With the specter of giants like Apple, Google or even Amazon entering into the sector, the topic is unavoidable. How, and where, to transform is a topic keeping many in the sector awake at night. I recently spoke with Lorne Rubis, Chief Evangelist, and Shahzia Noorally, Senior Leader Talent Acquisition, from ATB Financial in beautiful Edmonton Canada. Their organization, which isn't a chartered bank but rather a Crown Corporation, serves over 100,000 business customers, over 800,000 retail customers and has a full Wealth Management advisory services business too. In our wide-ranging conversation we talked FinTech, competing with the Big 5 Canadian banks and how Culture, not Technology, is at the core of their Digital Transformation.

HB: Lorne and Shahzia, delighted to meet you both. For the benefit of readers either not from Canada or not familiar with ATB Financial, can you give us some context and background on your organization?

LR: Absolutely. We're an 80-year old Crown Corporation, which means we're owned and operated by the Province of Alberta. We offer a full range of financial services from over 150 agencies and 170 branches across Alberta and our Board of Directors is drawn from the smartest and most accomplished business leaders in our Province. I'm proud to say that Board is composed of 50% men and 50% women too. Over our 85 year history we have had our fair share of ups and downs but I'm delighted to say we're coming off our strongest financial performance ever coupled with our strongest customer appreciation scores and the highest employee engagement and satisfaction scores in our history.

Under our CEO Dave Mowat, who has been at ATB Financial for 11 years, we began a significant transformation in how we operate and the results speak for themselves. It really is incredible to see what our amazing team of 5,300 has been able to achieve.

HB: Congratulations, any organization posting those results would be delighted. Talk to me about what sets ATB Financial apart from the other banks operating in Alberta or the rest of Canada?

SN: Perhaps it starts with something we constantly remind ourselves every day here at ATB. That's the idea that people need banking, they don't need banks. That, in many ways, the services we provide should be bringing people closer to things that really matter to them and the things that make them happy. While it may sound weird, we think we are in the Happiness business not the Financial Services business.



While other banks are built on a premise of risk management, regulatory tolerances and operational guides, we believe it is much more important to think about how we can make the most positive impact on people and build out from there.

That's why Culture is such an incredibly powerful part of our organization. A Culture that starts with creating an incredibly unique environment for our colleagues so they can then create happiness for our customers and, in turn, our shareholders. The people we work with and the people we recruit genuinely want to make the lives of everyday Albertans better and they want to be in that (Happiness) business, not in the transaction business.

We're fiercely protective of that.

HB: That's a fantastic delineation, thank you. Can you give me some examples of how ATB does that?

LR: Certainly, the Culture orientation starts at the very top of ATB Financial. When I was being interviewed for this role, the Chairman of our Board asked me which group was most important to focus on between employees, customers and shareholders. I told him - employees, customers, stakeholders in that order - fully expecting the interview to end abruptly. He just smiled and the interview progressed - I knew then that this was an organization that had their priorities right.

In terms of affecting "everyday Albertans" we've numerous stories that highlight that commitment.

Our Four Directions initiative was started to help the most economically marginalized in our society - the homeless. These Albertans have never had access to traditional financial institutions but, by using biometric technology, we have now created a safe and secure way for them to save. We've also created Entrepreneur Centers across Alberta where solo entrepreneurs can come to do work, network with peers and even get financial advice if they wanted. We realized how lonely it can be working for yourself and wanted to provide some respite and community for those Albertans. We're also working with the Artist community in Alberta because we realized that the fluctuating nature of their work and life often meant they were shunned by other banks who wanted more surety from their clients. Providing those services is entirely aligned with wanting to be about Happiness, not Transactions.

I've been fortunate to meet ATB clients in some of the smallest and remotest towns we have in this Province. When they tell me they call their local Branch Manager before they call 911 to report a strange noise outside their house or that they will shove a cheque into the hands of an ATB employee at the grocery store knowing it will get deposited without any fuss, then I know we're building a genuine and remarkable bond with our fellow Albertans.

HB: Certainly that type of relationship is testimony to a fantastic customer experience you've created. Getting back to the Culture piece, and the employee experience, what are you guys doing to foster that?

SN: In simple terms it starts with an expectation we have of our team members and an expectation we, as an organization, commit to as well.



Of our people, we ask them to be great but, and we say this explicitly, we don't expect them to be perfect.

To be resourceful and to challenge, enquire, probe and push to make themselves and this company better. We want people who are driven by that. People who don't just want a job but want a career or even, see this as a calling.

In return we offer them an environment where they can actually have that kind of profound impact. We're trying fanatically to remove the kinds of layers, oversight and bureaucracy that ordinarily stifle people like that at other banks or financial institutions. For example we have an 85, 10, 5 policy here where we want our colleagues to spend the 10% and the 5% on thinking beyond their current roles and projects but thinking about other ways we can make our clients lives better and working with us simpler. Our task is to provide an environment where they have that freedom.

No organization can promise their employees career security – certainly not in a sector transforming and evolving like ours – BUT, what we can say is that, if you're prepared to commit yourselves to constantly

pushing and striving to learn and get better here, you will leave this organization richer financially, richer intellectually and richer in terms of making an impact. That's remarkably attractive for the types of people who want to join ATB.

LR: We also have our 94 Word Story that articulates the core of ATB as an organization and a set of 10 Values that guide the actions and behaviours of our colleagues. Those are vitally important to nurturing the Culture here and setting up the expectation Shahzia referenced earlier. We genuinely believe in this notion of investing in the growth of people's personal equity and, because we're so transparent in that, we believe we can attract the very best people in the world to work here.

Most recently we hired a new CFO who was formerly the CFO at Lloyds Bank in the UK. And our Head of Innovation formerly lead Yahoo Canada. Being able to attract talent like that to Edmonton speaks volumes to us about how our Culture really sets us apart.

We're still small enough to be nimble and so committed to unlocking the potential in each team member to make a real impact, we're finding great talent is seeking us out more and more.

We just don't tell them about the Edmonton winters (laughs)

HB: ATB Financial got on my radar screen when you installed a robot greeter called "Pepper" in your branches. That amazed me. Talk to me about the obvious Digital Transformation underway at the organization and how you reconcile that with such a deep commitment to Culture?

LR: Sure. The first point to make is that we see Culture and Digital Transformation as an AND, not an OR, proposition.



We have to ensure that every one of our colleagues, from our CEO Dave all the way down to our newest recruit, are digitally oriented. That's non-negotiable.

It's also about leveraging all the remarkable technology and technology partners available to ensure people can make the impact we've talked about. In real terms that has seen ATB transition entirely to Google's G-Suite, a move that we completed in just six months, because we needed to operate with the very best and smartest partners we could find.

That has allowed us to collaborate in ways we couldn't have five years ago but, more critically, engage in peer-to-peer problem solving which is so vital if we're to remain ahead of the Disruption curve. If we're going to ask our People – our Culture – to constantly be reimagining how can we blow this sector up and make it 10 times better, we have to ensure they have the tools to do that.

It is also because our clients are so much more digitally savvy and are as immersed in this as deeply as we are. For example I can appreciate their frustration with the banking sector when opening

an account takes 45 minutes but getting up on the most sophisticated platforms available can be done in 45 seconds. I'd find that frustrating too and that's the type of problems we intend solving with our Digital Transformation.

Without a doubt we're making some big bets on technology and, in areas like AI, we're going to see some of our strategic assumptions tested to the core. Can we ensure meaningful roles that make team members heroes and still implement AI at scale? How do we strike a balance between people and technology? These are some profound questions every organization is grappling with but, I think, by ensuring that we always ground our decisions in our Cultural tenets we'll do a good job. And having partners like Google assisting and providing counsel to us is enormous.

HB: What an incredibly honest – and pragmatic – way of balancing those two elements. What else could I expect from an Albertan? In concluding our chat, is there any advice you'd both give to your colleagues in the FinTech sector, or any other sector, about how to do this? Anything you've learned along the way?

We can transform banking

REIMAGINE IT MAKE BANKING
WORK *for* PEOPLE

Because we carry the *outrageous*
belief that banking can change
people's lives for the better

Make their time richer
their aspirations closer

THEIR HAPPINESS DEEPER

HOW WILL BY DOING THINGS OTHER
WE DO THIS? BANKS WOULDN'T DO

By being ever loyal RELENTLESSLY
to our customers INVENTIVE

and steadfastly genuine in our pursuit
of Albertans' greater good

BY USING BANKING TO CREATE HAPPINESS

WHY HAPPINESS?

*Because good things happen when
happiness becomes your purpose*

THAT'S
WHY **ATB**
*will always
be more
than a bank*

SN: Talent and Culture are the winning combination but then, you'd expect me to say that (laughs). Seriously though, you have to find a way – across the entire employee experience – to have your people show up in a way that genuinely represents them and the impact they want to have. That's the only way you can truly get the very best out of your people.

We've thrown out many of the traditional approaches to recruitment because we don't want to be one of a thousand places that recruits send a thousand resumes to, praying they get hired. There's no humanity or personality in that approach – for the recruit or the organization.

Bringing humanity into the employee experience means being open and transparent about the organization you are and what they can expect if they want to thrive here. We've got something remarkable here at ATB but we're definitely not perfect. Being that honest with ourselves – and the great talent we hope to attract – is crucial.

LR: Shahzia's right about the transparency and humanity. That's critical. You can't build a Culture without it. In addition I'd say three things to anyone who asks what they should be doing.

Think Big, Start Small, Act Now.

You've gotta have a bold ambition that attracts top talent.

You don't have to boil the ocean but pilot a bunch of small things to get going. There's no silver bullet but if you think in a linear fashion you're going to get demolished.

Lastly don't wait. Act now. Don't wait for some mandate to get started. Go go go.

And, I suppose, lastly you can never rest on your laurels. Be relentless in getting better.



**POPULAR
CULTURE
POSTS
FROM
HILTON**

[linkedin.com/in/hiltonbarbour/](https://www.linkedin.com/in/hiltonbarbour/)



Why measuring the ROI on culture is so damn hard.

We live in KPI-driven world.

Perhaps, more accurately, a KPI-obsessed world.

Miss your quarterly forecasts – even by one or two cents – and watch how quickly investors pounce.

Don't show a continuous upward tick in your fully-optimized marketing campaigns, boy oh boy...

Missing a credible and substantiated “adoption curve” in your investors deck – ideally one that looks like a hockey stick – then be prepared for the quickest VC meetings in history.

KPI's are good.

They give us something to strive for, a yardstick to meet and exceed. Heaven knows we're swimming in enough data to generate a million KPI's for each and every business. And just wait until my IoT friends get their hands on you.

Perhaps that's why I remain so perplexed when I hear debates about the ROI of investing in Culture and how hard it is to quantify the impact of Culture-building (or Culture-changing) activities.

Truth is measuring a Culture ROI is relatively easy – and getting easier every day.

There are great organizations, like Globant and Microsoft, with amazing tools that can measure utilization rates (always a favourite in places who still label departments “Human Resources”) levels of collaboration, how “integrated” new teams and new members are within your company, average turnover, retention, tenure, absenteeism etc.

The ability, and the fantastic SaaS-enabled, shiny Dashboard-rich technology, is there. Fantastic news for those of us who earnestly believe you measure what matters. And what matters more than Culture?

The issue, if I can try explain it from my observations, is not that measuring the ROI of Culture is impossible or even difficult these days.

The issue is that measuring the ROI of Culture is uncomfortable.



COMMITMENT – Uncomfortable because it requires a leadership commitment at the very highest levels of an organization. A commitment of time, a commitment of resources, a commitment of real dollars into defining, creating and nurturing a culture that promotes the care and growth of your people.

NEW EXPECTATIONS – Uncomfortable because it forces you to confront and address the classic refrain “why train our people if they’re only going to leave us” and actually build an organization that rewards curiosity, risk-taking and employee freedom. That means letting go...just a little..and letting the good people you’ve hired step up.

That’s hard if you’re accustomed to command-and-control operating principals, no matter how outdated those may be.

SPEED – Uncomfortable because, unlike tweaking our Tech Stack and our latest SaaS subscription, we can’t immediately and efficiently optimize our people in the same way.

With gleeful exuberance we’ll invest Trillions of dollars in Enterprise software, digital transformation

consulting and elaborate Customer-Experience journey maps for the promise of immediate growth. Unfortunately changing how our people behave and how they make decisions takes longer – and FAST is the prevailing business mantra of the day.

AND HUMANITY – Uncomfortable because it requires confronting your values and your humanity head-on.

As Newsfeeds are populated by advances (or techno-porn) of machine-learning, AI and automation – and the huge gains to be made from deploying those – it can be hard to remember that business is still inherently human. That, until Robots have wallets, you’re still relying on other human beings to imagine, create and BUY your products.

To create a Culture that inspires and invigorates other human beings means YOU have to be able to inspire and invigorate others.

And you can’t mail that part in.



I get how uncomfortable it is.

But any more uncomfortable than these KPI's?

Only 12% of American workers believe they get effectively on-boarded.

Only 35% of senior executives believe their Culture is effectively managed.

One in 5 employees are actively sabotaging their current company.

The \$3 TRILLION lost because of the excessive bureaucracy of organizations stifling productivity and innovation

I am a marketing person at my core. I've spent my career helping organizations find and communicate what makes them different and unique. With every passing year I'm more and more convinced that products can be copied - and commoditized. Flashy new technology can be acquired just as quickly by your competition.

But only your Culture is truly unique. No other company has it - or can copy it.

Only your Culture can inspire and invigorate your people to overcome and thwart the inevitable disruptions coming to every sector in the years ahead.

Only your Culture can attract the world-class talent you need to thrive in the future. Whether you like it or not, top talent doesn't have to settle for mediocre Cultures.

In the end, your Culture really is the only true sustainable competitive advantage you have.

What's the ROI on that?

I wanted to thank my friend Cybelle Srou for inspiring this post. She was the boss that personified a genuine mantra of caring for and growing her people. Thanks Cyb!!





How do you balance a culture & business transformation?

My wife loves Mark Wahlberg.

I mean she has a very serious crush on the former Markey Mark and his world-class abs. Which might explain why we were watching one of his movies – “Shooter” – for the 4th time recently. As added context, I wasn’t closing the gap on “Mr 8-pack abs” by slurping my way through a pint of Ben&Jerry’s either.

In one pivotal scene Wahlberg is coaching Michael Pena on the discipline and focus needed to be a sniper when he utters the immortal Zen sniper line:

“Slow is smooth and smooth is fast”

I’ve always loved the weird mental hurdles and conflicts inherent in that saying because it perfectly articulates what I’ve seen and heard repeatedly in the Culture and Digital Transformation interviews I’ve conducted.

An organizational imperative – nay impatience – to transform at the speed of the market. Or at the speed of a market driven by 90-day analyst calls and leadership tenure of less than 3 years.

Balanced with a reality that Culture – the People part, not the Pixels part – doesn’t change with nearly that speed or with that certainty.

This reality can be a source of significant frustration for many executives and may explain why many would prefer to ignore the Culture piece entirely or seek quick cosmetic fixes that do more to impact “climate” than they do to actually transform Culture. This excellent piece from Culture University on Climate is a great read.

Addressing climate is not the same as transforming Culture.

Among many of the excellent sayings Culture expert Edgar Schein posits is this one – “Culture arises through shared experiences of success” – with the words I’ve underlined a critical component.

Shared experiences is important because it highlights that more than one individual, one team, one division must be involved if it can be considered a cultural transformation. Sure it must start somewhere and blossom but it can only be considered a transformation if it spreads and takes root across an organization.



“There’s no magic formula for great company culture. The key is just to treat your staff how you would like to be treated,”

Phil Babin

Success is critical too. And, as any Change Management expert will attest, that often means false starts and mis-steps occur before success genuinely happens. Success means you need to have a clear definition of what success means for your Transformation. It also requires the acuity to measure and track success. Finally success needs to be sustained – particularly because many Culture Transformations go through the very real employee skepticism of “here we go again...” and “Oh boy, another Management bright shiny fad is working its way down the pipe...” Moving from your current Culture to your desired Culture requires your colleagues to see that the behaviours that epitomize “success” are actually consistent and not just episodic or a flash in the pan.

So what can impatient executive do to transform their Culture at something approaching the velocity of their Digital Transformation?

#1, acknowledge that you’ll need to address your Culture at some point and that human beings do adapt and change slower than the speed with which you can upgrade your servers or switch to a cloud-based SAAS model.

Brian Fetherstonhaugh summed it up beautifully in one interview when he said “Culture is a deliberate, relentless, often expensive and painful set of choices you make every single day.”

#2, do some type of Culture Audit or Culture diagnostic to truly understand what Culture you currently have. That isn’t an Employee Engagement Survey (sorry guys) but a genuine Audit that has both qualitative and quantitative components. Your CIO isn’t going to transform your IT infrastructure and vendors without comprehensively auditing your current systems, why would you try to transform your people without knowing exactly where your Culture is today.

#3, accept that Leadership carries a disproportionate responsibility for the efficacy and velocity with which any change occurs. That means YOU are a key determinant. Saying one thing and doing another will doom a Culture Transformation faster than a lack of funding or a poor definition of success. Leadership style – are you building trust, transparency, openness? – and Leadership commitment – are you in in for the long haul? Are you prepared to make the tough calls? – are critical and those can't be delegated.

#4, have a realistic expectation of the speed that a full Culture Transformation will take. Factors like size, geographic spread, societal culture, industry vertical are all factors which can't be dismissed – see #2 above – but even taking those into consideration, studies suggest it takes at least one organizational generation for Transformation to go from identification to implementation to adoption.

I was intrigued by this article by Barry Phegan on CompanyCulture.com where he suggests an exponential relationship between the number of employees and the time required - all other factors being equal. 10 employees = 1 Year, 100 Employees = 2 Years, 1,000 employees = 3 Years...and so on. If you've got any evidence to support or refute Barry's assertion, I'd love to hear about it.

That time scale shouldn't curtail your desire in the slightest and shouldn't prevent you from starting either.

Perhaps the most important step to ask yourself is one that Edgar Schein raises in many of his books – Why do you believe you need to transform your existing Culture in the first place?

While Digital Transformation is the business imperative de jour, I sometimes question how many organizations are doing it because it is genuinely critical to their survival or because everybody else seems to be doing it and they can't be seen not to.

Knowing the complexities of a Culture Transformation, and the potential margin for error, perhaps the best start is to repeat after me...

Slow is smooth, smooth is fast

Then, in time you can graduate to

It's such a good vibration

It's such a sweet sensation

It's such a good vibration

It's such a sweet sensation**





Can we tackle our culture if we don't tackle our fears?

In 2000 I developed a genuine fear of flying. For someone who was regularly flying between Toronto, New York and Austin this wasn't good.

In fact it got so debilitating that when I moved back to Toronto I elected to take a 13 hour train trip rather than endure the 70 minute flight.

Doing my research - I had 13hrs to kill - I found out that aviophobia typically arises because your brain believes you're completely out of control of your surroundings.

Makes sense. When you get on a plane you never see the person in control - if they're sober, if they look competent, if they look older than 15 etc. You're hurtling 35,000 feet above ground and over 500 miles a hour. There are miles of electrical circuits and technology that could fail spectacularly at any moment. And, if you're in Economy, you can't even control what they feed you during your we're-sorry-for-the-late-departure-we'll-try-to-make-it-up flight.

Ultimately the fear comes from to trying to exert control over a litany of things you have absolutely zero control over.

And fear makes us act in all sorts of strange ways.

And we certainly don't behave at our best when we act out of fear either.

In the past 48 hours I've had two very insightful people separately ask me why organizations seem so reticent about tackling their Cultures.

Why, in the face of mounting evidence that cogent well-functioning cultures attract and retain better talent, are more creative and adaptable and often out-perform their competition on almost every metric possible, do so few organizations seem willing to jump into this opportunity with both feet?

Could it be fear?

Spoiler alert - if you're fearful that your Culture isn't perfect, rest assured few are. Even amongst the most respected cultures in the world, the best would acknowledge they still have to work at their cultures each and every day.

If you're fearful that your leadership style has created the culture in your current team or organization, I can tell you most assuredly that it has certainly had a significant contribution.

But what other behaviours exist in your organization – inside your culture – that are driven by fear?

A fear that is debilitating your teams, your productivity, your adaptiveness, your competitiveness?

I fear that if I share key knowledge I won't be seen as the "indispensable" smartest person in the room.

That fear stifles teamwork.

I fear that if I don't tell my people exactly how to do something they'll possibly do it differently and they might screw it up.

That fear stifles your team's growth.

I fear that if I tell my EVP of Sales to stop bullying his EA that he'll go work for the competition.

That fear stifles respect.

I fear that if I speak up and contradict my boss with a new idea I'll get humiliated or shut down. Better if I just nod and go along.

That fear stifles innovation.

I fear for my job so I will do everything possible to sabotage my colleagues in other departments so I win.

That fear stifles collaboration.

I fear if I'm not sending or checking emails from my vacation I won't be seen as committed to the company.

That fear stifles recuperating and recharging.

I fear that if I push back on a colleague (or client's) unreasonable or unrealistic expectations I'll not get promoted.

That fear stifles truth and transparency.

Remember your culture is simply defined by how people behave to fit in. The deeper and more systemic these fears are, the more they are explicitly creating your culture.





They also needn't be spurring hugely weird and observable behaviour. As the examples above show, some are so small and insignificant, we can fool ourselves that they aren't taking a toll on our people and our culture.

Tackling your fears is no small undertaking. I don't care how big your title is or how varied your credentials are, just acknowledging you're fearful is a mammoth achievement.

After all we typically anoint leaders for their invincibility not their vulnerability.

Similarly, creating an environment where people feel they can express their fears without concern for retribution or judgement is incredibly rare. Fear is still seen as a sign of weakness, not strength. Rather show a brave face or a wall of bravado to your colleagues than acknowledge you might not have the answer or aren't the expert everyone thinks you are.

As Carolyn Swora eloquently references VUCA - Volatility, Uncertainty, Complexity and Ambiguity - in her great culture book "Rules of Engagement" -

we are living in fearful times. Just ask any CEO who has gotten on the wrong side of POTUS and his relentless abusive Twitter-stream.

The issue is are we prepared to at least acknowledge our fears? From the Executive suite all the way to the shop floor. From the corner office to the cubicle to the staff cafeteria?

Are we prepared to ask if the poor and unhelpful behaviours we see within our organization's cultures aren't based in fear?

Importantly - are we prepared to minimize those fears as best we can before the unhelpful behaviours bring out the very worst, rather than the very best, of our colleagues and employees?

I'm fearful for the future of many organizations if we're not prepared to even try.

What fear is holding YOU back? How might your colleagues and team be able to reduce that fear if you were open with them? How much better might your organization be if that fear was reduced?

I'm fascinated to hear folks. 



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