The Power of Difference

How a culture of inclusion is the preeminent business differentiator.
The Power of Difference

Change the World

“You say you want a revolution / Well, you know / We all want to change the world / You tell me that it’s evolution / Well, you know / We all want to change the world.”

Boards can have a revolutionary impact on companies, but to do so, they need to evolve their approach to director recruitment and board composition. The sixth edition of the Power of Difference, an annual supplement to NACD Directorship magazine, serves as a platform to explore diversity, inclusion, and innovation as a blueprint for action and transformation.

Yet, despite the business imperative for diverse pools of talent at all levels of an organization, America’s boardrooms remain mostly homogeneous. This state of affairs inspired the NACD NXT awards program to spotlight and celebrate boards that have demonstrably embraced diversity and inclusion. In the following pages you will get a look at how the NXT winners were selected.

You’ll also read how Forrester Research transformed its board after the firm adopted a new strategy. In turn, KPMG distills how effective audit committee oversight of #MeToo and diversity issues can enable better decision making. Deloitte writes on improving team dynamics for improved outcomes, supplemented by a look at how compensation program design can be used to reinforce corporate social responsibility objectives. Lastly, CulturSys advises on how boards need to own culture management.

With our continuing efforts to champion diversity and inclusion, I know it’s going to be all right.

—Christopher Y. Clark.

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Business Chemistry: Practical Magic for Crafting Powerful Work Relationships

Read the new book co-authored by Kim Christfort and Suzanne Vickberg

Ever wonder what it is that makes two people click or clash? Or why some groups excel while others fumble? Or how leaders can make or break a team’s potential?

Whether you want to raise your own level of performance, enhance board effectiveness, or become a more effective leader, this new book by Kim Christfort and Suzanne Vickberg can help you get the most out of team chemistry. Learn more at:

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Business Chemistry: Practical Magic for Crafting Powerful Work Relationships
A Bold Initiative to Recognize Diverse And Inclusive Boards

By Judy Warner

NACD NXT was envisioned to recognize breakthrough practices by full boards that enable them to approach business disruption head-on and create long-term value for the companies they serve. Unlike the annual NACD Directorship 100 (now in its 12th year), which recognizes the achievements of individual directors, NACD NXT focuses on the work of boards as a collaborative entity.

Critical to enabling a board to tackle issues both known and unknown is its own recruitment and composition—particularly as it pertains to diversity and inclusion so that a wide range of back structures. If corporations dare to be different, boards also need to dare to be different.

Consequently, NACD leaders reached consensus to develop an awards program that specifically highlights the achievements of boards to be more diverse and inclusive. NACD NXT is envisioned as a multiyear, multipronged initiative now being developed in conjunction with Deloitte. NACD NXT will more fully explore and recognize adaptive boardroom practices in response to a rapidly changing business environment buffered by technology, globalization, demographic shifts, increased expectations from consumers and shareholders, and geopolitical developments.

This idea of adaptive governance will be a focal point of NACD CEO and President Peter R. Gleason’s address to NACD’s members at the 2018 Global Board Leaders’ Summit, which opens Sept. 30, and is the premise of the 2018 report of the NACD Blue Ribbon Commission on the Diverse Board. Moving From Interest to Action, had failed to spur action. And for three years, NACD’s annual Global Board Leaders’ Summit, which opened with a day of programming that focused exclusively on D&I issues. Although those sessions were well-attended and garnered enthusiastic reviews from attendees, a strategic decision was made to integrate D&I programming throughout the three-day conference rather than have a stand-alone event.

“The fact of the matter is that diversity and inclusion should be a starting point for all discussions about how to create long-term value for any enterprise,” says NACD Chief Programming Officer Erin Essenmacher. “We know that diversity is critical to innovation. It also becomes a metaphor for whether the business model disruption or who your competitors are.”

For more information on the NXT Initiative, visit NACDonline.org/NXT.

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Meet the Judges

So, you may be asking yourself: How did NACD determine that the winning companies have practices that deserve to be emulated by other boards? This is why experience and a spirit of inquiry informed the selection of an esteemed panel of judges. Most of the NACD NXT selection committee judges have devoted their careers—if not their entire lives—to fostering greater diversity and inclusion, and it was through that lens that we invited these 12 individuals to serve as judges for the NACD NXT Recognition Gala.

Irene Chang Britt is an experienced and forward-thinking independent corporate director, currently serving on the boards of the Dunkin’ Brands Group, mennes abuse of tenants. Tailored Brands, and top-10 life insurance company BrightHouse Financial. She also chairs the board of RayBridge Senior Housing, a wholly owned subsidiary of the Ontario Teachers’ Pension Plan. Britt is an NACD Board Leadership Fellow and a frequent speaker on corporate governance and practices. From 2012 through 2015, Britt was president of Pepperidge Farm, and prior to that capped a decade of executive service at the Campbell Soup Co.

Martin M. Coyne is a director of RyerSuk, chair and founder of the CEO Learning Network, and chair and CEO of NACD’s New Jersey Chapter. He has served on multiple boards. His roles have included board chair, lead director, and chair of compensation, audit, and governance committees. His book, How to Manage Your Board While Your Board Manager Goes [Your Name], helps directors, CEOs, and other corporate executives improve governance and their relationship with their boards.

The Honorable Cari M. Dominguez is principal of Dominguez & Associates and chair of the nominating and governance committee of NACD. Dominguez served as chair of the US Equal Employment Opportunity Commission, assistant secretary of labor for employment standards and labor management; and director of the Office of Federal Contract Compliance Programs, where she created, launched, and led the Glass Ceiling Initiative. She was director of executive search firms. Dominguez is a director of the Calvert Funds and ManpowerGroup. She is vice chair and independent lead director of Triple-I Management Corp.

Brenda J. Gaines currently serves as the audit committee chair for Tenet Healthcare and is a member of the boards of Southern Company Gas and NACD. She previously served on the boards of AGL Resources, CNA Financial Corp., the Federal National Mortgage Association (Fannie Mae), Nice Gas, and Office Depot. She was president and CEO of Diestel Club North America, a division of Citigroup, until her retirement in 2004. Gaines is a delegate to the NACD Audit Committee Chair Advisory Council, has served on the NACD Chicago Chapter board, and was twice recognized as an NACD Directorship 100 honoree.

Daniel R. Hesse serves on the boards of Akamai Technologies and PNC Financial Services Group, where he chairs the technology subcommittee. He serves on the national board of governors of the Boys & Girls Clubs of America and the board of the JUST Capital Foundation. Hesse served as president and CEO of Sprint Corp. from 2007 to 2014.

Dr. Reatha Clark King is chair emeritus of NACD, a board overseer of the Malcolm Baldrige National Quality Award, a trustee of the International Trachoma Initiative, and a life trustee of the Congressional Black Caucus Foundation and the University of Chicago. She served as president of the General Mills Foundation from 1988 to 2002 and as vice president of General Mills, with responsibility for its citizenship programs. She was chair of NACD from 2013 to 2016. She has served as a director of Allina Health System, Exxon Mobil Corp., H.B. Fuller Co., Lenox Group, Minnesota Life Insurance Co., Minnesota Mutual Life Insurance Co., and Wells Fargo & Co. She served as a director of Hispanics in Philanthropy and as a trustee of Clark Atlanta University. King has received numerous distinctions and awards, including 14 honorary doctorate degrees. She was awarded Director of the Year by NACD in 2004, and was inducted into the NACD Directorship 100 Hall of Fame in 2017.

Lester L. Lyles serves on the boards of General Dynamics Corp., Equitable Corp., USAID, and the Battelle Memorial Institute. Lyles began his military career in 1968 when he joined the United States Air Force as a graduate of the Air Force Reserve Officer Training Corps program. He retired in 2003, having attained the rank of general and leading Air Force Materiel Command at Wright-Patterson Air Force Base in Ohio. He has received many awards and decorations including the Defense Distinguished Service Medal and the Distinguished Service Medal, and in 2012 was awarded the General Thomas D. White Award for distinguished service in national security from the US Air Force Academy.

Kathp L. Peifert is a member of the board of Eli Lilly and Co. and County Bancorp and co-chair of the The New North, an economic development collaboration for northeastern Wisconsin. She retired in 2004, from Kimberly-Clark Corp., where, at the time of her retirement, she led the personal products team that developed and managed global plans for branding and product positioning, research and development programs, and capital investment. In addition, she oversaw the company’s US and Canadian consumer sales forces.

Suzanne M. (Zan) Vautrinot is a retired major general of the U.S. Air Force whose career has influenced the development and application of cybersecurity and space technology. Throughout her three–decade military career, she held key assignments in cyber operations, plans and policy, strategic security, space operations, acquisitions, and staffing. She serves on the boards of Ecolab, Symantec Corp., and Wells Fargo & Co., and on the private boards of Parsons Corp. and the Battelle Memorial Institute.

Keith C. Wetmore is managing director in the San Francisco office of Major, Lindsey & Africa, and one of the first openly gay partners in big law. He served four three-year terms as chair and CEO of Morrison & Foerster from 2000 to 2012. As such, he took the lead in setting policy and providing strategic direction to the 1,000-lawyer global law firm. In 2018, Wetmore was named to Lawdragon’s“100 Leading Legal Consultants and Strategists.” He serves as an outside director and chair of the board of North Highland, an employee-owned, diversified consulting firm.

Paul S. Williams is a partner with Major, Lindsey & Africa, a recruiting firm. Earlier, Williams was executive vice president, chief legal officer, and secretary of Cardinal Health, where he also served as co-chair of the company’s Diversity Council. Williams is a director of Essensuals and Compass Minerals International. He previously served as lead independent director of State Auto. Williams has been recognized by two publications as one of the 100 most influential diverse lawyers in the nation.
By Suzanne Vickberg

In Times of Change, Enlist a Motley Crew

Successful leaders recognize the power that diversity of perspective offers. When people with different ways of thinking and working come together, there’s great potential for more creative problem solving, sounder decision making, and stronger performance—all amenable outcomes. This appreciation of diversity’s power can get lost when a major change initiative is underway. In such circumstances, leaders are sometimes tempted to stack transformation teams with those who most easily embrace change. This type of person is often called a pioneer. Pioneers offer a wealth of new ideas, and since they crave novelty, change efforts tend to inspire and engage them. Pioneers’ imaginative nature means they can envision lots of ways change will bring good outcomes, and their enthusiasm tends to inspire and engage others. This appreciation of diversity’s power might become a reality and what others’ individual roles in the transformation might be. And while pioneers are naturally amenable to change, they don’t always understand just why others seem resistant or just how to go about getting them on board.

While pioneers can be invaluable in times of change, their contributions can be more powerful when combined with the skills, perspectives, and strengths of different types of people. At Deloitte, we use the concept of business chemistry to understand people’s different working styles and help teams be more productive. We look for the presence of three other perspectives in addition to those of the pioneers. A truly diverse team would also include guardians, who seek stability; drivers, who pursue challenge; and integrators, who value connection. Each of us is a unique mix of these types, but most of us lean toward one or two of them.

Guardians bring order and rigor to a team, and they’re perhaps best positioned to help translate a pioneer’s vision into an actionable plan. Also, as the type that’s most fond of the status quo, guardians are a great source of information. For example, several US studies find that women earn roughly 82 percent of their male counterparts’ pay, and the US Bureau of Labor Statistics has found that the pay disparity was even larger between Hispanic and black female workers, who earn 62 percent and 68 percent of their white male counterparts’ pay, respectively. Corporate officers and directors can take the lead. Companies that desire to be employers of choice highlight their efforts to eliminate the potential for gender pay gaps and to implement diversity and inclusion initiatives. Based on the business imperatives to attract and retain talent, boards may consider focusing on the oversight of the following topics.

- Pay equity. Companies might consider conducting regular pay equity analyses to determine pay gaps in either gender or race and ethnicity groups, developing remediation plans to address concerns.
- Job equity. Companies should consider evaluating gender and minority representation across various jobs and levels within the organization, and update talent development plans accordingly.

Diversity integrators draw teams together and are perhaps best equipped to make sure everyone is on the same page. They’ll keep an eye out for anyone getting left behind. By activating their innate power of empathy, integrators can help determine what is needed to bring everyone up to speed. The strengths of each type, when brought together with the others, are likely to lead to a more successful transformation overall.

What does this tell us about boards and board composition? It suggests that boards really can benefit from diversity of business chemistry types, as each of these types—pioneers, guardians, drivers, and integrators—contribute to making the whole greater than the sum of its parts. So, as your board considers its own succession planning, or the next time your board embarks on any kind of change, don’t just look to the usual suspects. Enlist a motley crew.


By Tara Tay and Doug Tapp

Corporate social responsibility (CSR) helps to define an organization and enhance its profitability. Human resources (HR) topics including diversity, inclusion, and gender pay equity are being discussed in board rooms, and pay for performance is getting renewed board attention due to the 2017 tax law changes. Research suggests that investors and other stakeholders believe businesses should step up and address these fundamental societal issues. Through CSR strategies, many businesses have sought to establish cultures that value diversity and inclusion; however, some organizations may be missing an opportunity to leverage compensation programs to reinforce this objective.

Even though the Equal Pay Act of 1963 and the Civil Rights Act of 1964 prohibit gender pay and employment discrimination, there is concern that these acts have not gone far enough with regard to pay equality. For example, several US studies find that women earn roughly 82 percent of their male counterparts’ pay, and the US Bureau of Labor Statistics has found that the pay disparity was even larger between Hispanic and black female workers, who earn 62 percent and 68 percent of their white male counterparts’ pay, respectively. Corporate officers and directors can take the lead. Companies that desire to be employers of choice highlight their efforts to eliminate the potential for gender pay gaps and to implement diversity and inclusion initiatives. Based on the business imperatives to attract and retain talent, boards may consider focusing on the oversight of the following topics.

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Diversity and Inclusion: An Impact on Total Rewards

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The Transformation of the Forrester Board

The decision to transform Forrester Research's board of directors began with a change in strategy. Led by Forrester Founder, Chair, and CEO George F. Colony, the board's transformation occurred over the past 15 months. Some long-standing members retired and five new directors were onboarded. The objective was to refresh the boards collective skills and provide Colony with a greater number of peers who had lived or were living the CEO experience. In a recent telephone interview with NACD Directorship, Colony and Robert M. Galford, Forrester's lead independent director, who has served on the Forrester board for more than 20 years and helped lead the recruitment of new independent directors, detailed why and how the transformation occurred.

In the words of Colony, who since starting the research group in July 1983 and taking it public on the Nasdaq stock exchange in 1996, has built a reputation for speaking and reporting the unvarnished truth, this is how the Forrester board transformation took place. —as told to Judy Warner

From the time I put together Forrester’s first board (in 1983), we went through many ups and downs and many curves and bends in the road, and they were a spectacular board. I chose some—one from the finance world, the operational world, the tech world, the publishing world, and I needed someone from the people world—that was Rob Quinn, actually. Our first board was built in a very conscious way even back when we were a small company.

I would say that the directors for our first board filled those roles beautifully and with wisdom. It was for so many years just a great board. We never disagreed. Well, we disagreed at times, but actually it worked out pretty well. Forrester leads our clients to the future, so I wanted people who had a sense of the future, who had a vision of the future, and had a passion about the future and where the world is headed and how to improve that world. That was really my criteria. We started to change our strategy fairly radically only a few years earlier. It’s very important that your board’s skills reflect the strategy. I think as far as doing a wholesale change like this, if you make a wholesale change to your strategy, you may have to make a wholesale change to your board. Nuanced changes may not require fresh thinking on a board, but the change we were making required new voices and a new way of thinking. It makes no sense to be on a voyage with the people who don’t know how to row the boat, right? You want a board that knows the currents and the byways, and knows where the shoals are on that journey. You want a board that knows the currents and the byways, and knows where the shoals are on that strategy. Boards should match strategy. Our new strategy was a departure from the past.

I think the new board has been a shock to our system, in a good way. It’s impatient. It’s pushing. It’s pulling us. It certainly has been a shock to our system. I’ve had to stand up a little straighter as a CEO. —GEORGE F. COLONY

Internally, I had a strong head of human resources who thinks very strategically. Lucia Luce Quinn was my inside person and Rob was my outside person. I assigned this to these two and they ran the process and went through hundreds of résumés. We wanted people who had a sense of the future, who were a very seat-of-the-pants, gut feel for people, but actually it worked out pretty well.

I wanted—and I got—a real working board, people who care and are passionate. Forrester is and always has been a very passionate place. You can’t do well at this company unless you are passionate, and I wanted board members who would also be passionate, so I looked for that. That part was a very seat-of-the-pants, gut feel for people, but actually it worked out pretty well. Forrester leads our clients to the future, so I wanted people who had a sense of the future, who had a vision of the future, and had a passion about the future and where the world is headed and how to improve that world. That was really my criteria. We started to change our strategy fairly radically only a few years earlier. It’s very important that your board’s skills reflect the strategy. I think as far as doing a wholesale change like this, if you make a wholesale change to your strategy, you may have to make a wholesale change to your board. Nuanced changes may not require fresh thinking on a board, but the change we were making required new voices and a new way of thinking. It makes no sense to be on a voyage with the people who don’t know how to row the boat, right? You want a board that knows the currents and the byways, and knows where the shoals are on that strategy. Boards should match strategy. Our new strategy was a departure from the past.

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I wanted—and I got—a real working board, people who care and are passionate. Forrester is and always has been a very passionate place. You can’t do well at this company unless you are passionate, and I wanted board members who would also be passionate, so I looked for that. That part was a very seat-of-the-pants, gut feel for people, but actually it worked out pretty well. Forrester leads our clients to the future, so I wanted people who had a sense of the future, who had a vision of the future, and had a passion about the future and where the world is headed and how to improve that world. That was really my criteria. We started to change our strategy fairly radically only a few years earlier. It’s very important that your board’s skills reflect the strategy. I think as far as doing a wholesale change like this, if you make a wholesale change to your strategy, you may have to make a wholesale change to your board. Nuanced changes may not require fresh thinking on a board, but the change we were making required new voices and a new way of thinking. It makes no sense to be on a voyage with the people who don’t know how to row the boat, right? You want a board that knows the currents and the byways, and knows where the shoals are on that strategy. Boards should match strategy. Our new strategy was a departure from the past.

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From the time I put together Forrester’s first board (in 1983), we went through many ups and downs and many curves and bends in the road, and they were a spectacular board. I chose some—one from the finance world, the operational world, the tech world, the publishing world, and I needed someone from the people world—that was Rob Quinn, actually. Our first board was built in a very conscious way even back when we were a small company.

I would say that the directors for our first board filled those roles beautifully and with wisdom. It was for so many years just a great board. We never disagreed. Well, we disagreed at times, but actually it worked out pretty well. Forrester leads our clients to the future, so I wanted people who had a sense of the future, who had a vision of the future, and had a passion about the future and where the world is headed and how to improve that world. That was really my criteria. We started to change our strategy fairly radically only a few years earlier. It’s very important that your board’s skills reflect the strategy. I think as far as doing a wholesale change like this, if you make a wholesale change to your strategy, you may have to make a wholesale change to your board. Nuanced changes may not require fresh thinking on a board, but the change we were making required new voices and a new way of thinking. It makes no sense to be on a voyage with the people who don’t know how to row the boat, right? You want a board that knows the currents and the byways, and knows where the shoals are on that strategy. Boards should match strategy. Our new strategy was a departure from the past.

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Sharpening Oversight Amid #MeToo

By Jose R. Rodriguez and Susan M. Angele

The statistics are sobering. More than 700 executives and senior-level employees have been publicly accused of sexual misconduct since December 2015, according to Ternini and Co. Indeed, the likelihood of an organization of any significant size having a #MeToo issue is very real. Boards need to redouble their efforts to develop a protocol for reporting on sexual misconduct complaints that can help the board stay ahead of the issues.

1. Monitor for accountability, fairness, transparency, and a tone of respect. First and foremost, the audit committee and full board should send a strong message that intentional misconduct and predatory sexual behavior will not be tolerated under any circumstances by any individual affiliated with the company, should expect company leadership to send and enforce the same message, and should assess whether training, employment practices, and compensation incentives align with this directive. The audit committee should set and expect a tone of transparency and respect, and assess the effectiveness of the company’s programs. Are policies clear? Are investigations handled fairly? Do anti-retaliation measures protect against overt and also subtle yet career-damaging impacts? Is management sensitive to unintended consequences? Given the importance of corporate culture, these issues should be monitored.

2. Include sexual harassment issues in due diligence reviews. Given the potential impact of #MeToo issues, companies are digging deeper into the backgrounds of aspiring executives and board members, a practice referred to as “social due diligence.” In addition, a new provision has begun to appear in acquisition agreements—the “#MeToo rep.” To this provision, the seller represents that, with respect to a certain subset of decision-making personality types, the importance of high-quality and timely decision making in the boardroom cannot be overstated. And it is an area where many boards see opportunity: in the 2017–2018 NACD Public Company Governance Survey, 56 percent of respondents cited rigor of board decision making as an important area for improvement in the next 12 months. Our recent work with Women Corporate Directors Foundation on the 2018 WCD Thought Leadership Commission report Decision Making in the Visionary Boardroom explored the foundations of quality decision making, including the insights of 20 experienced directors from around the globe. As indicated in the report, it is clear that, when fully leveraged, diversity can be a critical enabler to decision making. Here are three suggestions for board leaders to help enhance board decision-making processes based on the research and recommendations contained in the report.

1. Recognize that a degree of discomfort can be valuable. When boards search for a candidate to add a new skill set, the candidate with whom the board members have the most in common and feel the most at ease is often selected as the best fit. However, extensive research into group decision-making suggests that if the new board member is not perceived as different, an important parameter of value-enhancing diversity will be lost. In studies where groups are asked to make decisions under circumstances in which full use of the available information points toward a single right answer, when the decisions made by groups that are socially diverse (by race, ethnicity, gender, and/or sexual orientation) are compared to those made by groups that are homogeneous, the homogeneous groups come to the wrong conclusion more frequently. “Simply interacting with people who are different forces groups to consider new viewpoints and to expect that reaching consensus will take effort,” wrote Columbia University Professor Katherine Phillips in a Scientific American article titled “How Diversity Makes Us Smarter.” Because of this effect, diverse groups have been shown time and again to do better at solving complex, non-routine problems, i.e., the types of problems boards face.

2. Seek diversity in decision-making styles. Given the importance of consensus in board decision making, assessment of decision-making styles of individual board members can provide valuable insight. McKinsey & Co. researchers have identified five decision-making personality types, two of which are worth noting here: guardians and visionaries. Guardians exercise caution, incorporate as many facts as possible into their decision making, and seek to preserve value—but may be too risk-averse. In contrast, visionaries can shake companies out of complacency but may embrace risk too freely. Boards can benefit from variety in decision-making styles, and a strong director recruiting process will assess and recruit for the right mix of decision styles, as well as background and skill sets.

3. Actively mine the board’s diversity. Even for diverse boards, groupthink can be a powerful force. Board leaders should periodically reflect on the boardroom dynamic to assess whether the discussion is reaping full value from the diversity in the room. Are certain directors (or a subset of the full board) dominating the conversation? Have techniques to bring out diverse perspectives been considered, such as designating a devil’s advocate or collectively developing a scorecard to fully evaluate the pros and cons of a suggested course of action? And when there are differences in decision-making style, does the chair actively manage the conversation to derive value out of the clash?

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Leverage Diversity for Better Decisions

By Susan M. Angele

Making long-term strategic decisions in a short time frame with limited information is a challenge for every board. Whether the decision involves pivoting to a new business model, assessing and reacting to disruptive forces, or guiding the company through challenging and uncertain economic and geopolitical conditions, the importance of high-quality and timely decision making in the boardroom cannot be overstated. And it is an area where many directors see opportunity: in the 2017–2018 NACD Public Company Governance Survey, 56 percent of respondents cited rigor of board decision making as an important area for improvement in the next 12 months.

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Susan M. Angele is a senior advisor, KPMG Board Leadership Center.
Boards, Culture Management, and Risk

By John R. Childress

Numerous studies reported in Forbes, Fortune, and the Harvard Business Review estimate that nearly 60 percent of organizations fail to deliver on their stated business strategies and objectives. Are these poor numbers the result of faulty analytics, weak leadership, unexpected global economic events, or lack of adequate capital? While these may be factors, the most common cause is poor execution. And more often than not, failure to align and manage the corporate culture is the root cause of poor strategy execution.

How can the board effectively oversee and advise on the health and management of corporate culture? Current culture assessments and engagement surveys provide only a limited view and are insufficient instruments for this important task. While they may give some insight into the strength of the culture on normative dimensions, and can be used as an industry benchmark, there is no information on what actually creates, drives, and sustains that culture, and more importantly, how those elements that drive culture influence employee behavior and business outcomes.

Boards and management need a systematic, proactive, fact-based, and predictive way to manage corporate culture, mitigate risk, and deliver on important strategic objectives. It’s time to move from culture surveys to culture management.

Making the Invisible Visible

Boards need to change the conversation and, rather than focus on surveys and benchmarking, begin to proactively manage culture. Manage the drivers and you can manage the culture. Manage the culture, and you can reduce risk and improve performance.

Begin this new conversation by asking management and yourselves the following:

- Do we understand the strengths and weaknesses of our current culture?
- Is the current corporate culture aligned with our strategy? How do we know? Where is the real evidence?
- Are we using culture to create a unique competitive advantage both to win customers and attract top talent?
- In what ways might the culture be a barrier to effective strategy execution?
- Do we use a culture management methodology to align the culture with our strategy?
- Does the leadership team and the board understand their role in creating and sustaining a healthy, high-performance culture?
- Does the board have the tools to understand, oversee, and advise on cultural weaknesses and risks?
- Is culture a key pillar in the company strategy? And if not, why?

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In 2017, women held 38% of newly appointed seats on Fortune 500 boards. But there is still room at the table. As women executives advance to board roles, Heidrick & Struggles can help position you for success.

Learn more about our CEO & Board Practice at www.heidrick.com

John R. Childress is chair of CulturSys, a firm that specializes in corporate culture.
Develop company values. Deliver market value.

Building a culture you can trust is key to business performance.

A strong culture is a key asset for any company. At KPMG, we help boards gauge and improve culture to help make it a strategic advantage, not a hidden risk. Learn more at kpmg.com/BLC

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