CAHRS Working Group
Driving Culture Change
Hosted by Bloomberg
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Participating Organizations:

Bloomberg
Boehringer Ingelheim
Bristol-Myers Squibb
Caterpillar
Cornell University
Hewlett Packard Enterprise
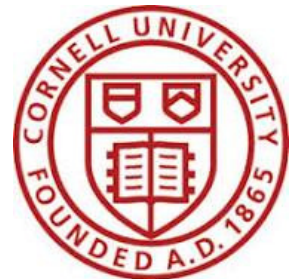MetLife

Key Takeaways:

1. No matter what culture your company is building, it is important to think through all the levers available to support it.

2. Senior Leaders are critical to establishing and building the culture; if they are not on board or authentic to it, other employees will not be.

3. Building a culture within a culture (i.e. an entrepreneurial unit within a long established company) is very difficult; it may need to be physically separate and have different HR programs to support the different behaviors that unit needs.

Overview

Culture is an important part of engaging employees in organizations and driving business performance. For many companies, the ultimate aspiration is to create a culture where every employee can do their best work and to do so we not only need to create a diverse workforce and an inclusive environment but also a culture in which employees feel like they belong. However, effectively shifting culture to this aspirational state with today's diverse workforce, rapidly changing technology and disruptive forces in the business is a bigger challenge than ever. During this working group, the organizations present explored how culture is influencing the workplace, what CAHRS member companies are doing to keep pace in this environment and what strategies they might employ to foster a culture of inclusion and belonging.

Bloomberg's Culture Journey

Ken Cooper, Global Head of HR for Bloomberg, kicked off the meeting to share Bloomberg's culture and history. Ken is uniquely suited to do this as he has been with the company 31 years, joining as an engineer when there were 85 people, to today as Head of HR for 20,000 employees. Bloomberg began as a bond data company when Mike Bloomberg left Salomon Brothers and started his own shop by offering to build a product for Merrill Lynch with a no risk guarantee — build their terminals in six months and if they did not like them, they did not have to buy them. They met their goal and achieved their first sale of 22 terminals. The mindset employed then continues today: develop products, deliver, and iterate. Speed, transparency and informality are key to their competitive business. This is supported by a flat organization with no titles, an open floor plan that's like a typical trading floor (busy, loud,

desks next to each other, no walls on offices or conference areas, "kitchen" gathering spaces to encourage casual interaction) and open communication (go straight to the person you need to no matter if that person is "above" your manager, all employees enter through an open area in every office, and ask forgiveness not permission). Ken described Bloomberg today as a "grown-up start-up."

So much of the culture is driven by Mike Bloomberg's leadership style.

Ken felt the most important lever in their culture is 80% due to top leader and 20% to culture carriers. He also acknowledged that being a privately held company is a big advantage to maintaining the entrepreneurial culture. It allows them to focus on the long term instead of quarter to quarter, focus less on P&L (profit & loss) and makes room for counterintuitive decisions (i.e. hiring when there is a market downturn).

The working group also toured the Bloomberg NYC office and saw firsthand how their workspace supported the culture they are espousing. All employees must enter through the same area (all elevators lead to the 6th floor – then you can go to your desk area from there via escalators, stairs or another set of elevators) creating interaction and energy throughout the day as they return for free snacks, drinks, and stand up meetings with colleagues. The workspace is very modern, bright, open (no enclosed offices, and conference rooms that are open or glass enclosed to communicate transparency), and the building has one of the first curved escalators in the world. There are also fish tanks and displays representing Bloomberg's history (i.e. a Koi pond with 22 fish to represent the first sale of 22 terminals) to bring nature into the workspace.

The group then discussed a number of other areas regarding culture.

Finding Culture Amidst Business Changes

One challenge thrown out in the group was how does a company maintain or find its culture when reorganizing and/ or making acquisitions. Some learnings here included ensuring leaders were as transparent as possible and over-communicating to help relieve uncertainty. If employees are not hearing from leaders, they will create their own narratives to fill in the blanks – which can often be wrong. HR plays a key role in arming business leaders with the right messaging for different employee groups to ensure everyone is aligned.

Driving Innovation Through Culture

Another topic of discussion was how to build an innovation or entrepreneurial culture in a sub-unit of a larger company with a more established culture. One partner has used resource constraints as a way to drive innovation with the idea that starving the core can help build new muscle to face the new challenges. Another company ensures that risk taking is tolerated in these more innovative units and that failure is celebrated and rewarded. It is also helpful if these units are in a separate location and may have unique support programs (i.e. compensation) to ensure different behaviors are supported.

The Importance of Diversity & Inclusion to Culture

There was conversation in the group that a strong diversity & inclusion (D&I) environment is needed to drive culture. Several companies felt that resource groups continue to be critical – senior leader sponsorship/mentoring, leadership development, feeling of inclusion in group, voice to senior leaders all lead to higher engagement levels. While there are many studies that say employees leave companies because of their managers, it is important to remember that the culture of the company shapes who the manager is and how they behave. Lastly, many companies are undertaking training in D&I (unconscious bias, micro learning) but it is most important to have specific D&I plans within the business for accountability and dialogue with senior leaders to make progress here.

The Purpose Imperative

Another area that is important is connecting employees to a larger purpose to drive culture. One company is looking at how their total rewards packages may support this (i.e. sabbaticals). Some companies use symbolism such as leading with safety in every meeting if safety is important, or having an empty chair at each meeting to represent a customer (i.e. a patient), or starting each meeting with a customer story. It is also important for leaders to be authentic to the culture, sharing personalized stories and notes. A number of companies also involved employees in sharing their purpose – purpose imperatives, your voice campaigns, and collecting input through surveys, focus groups and yam jams. Several companies also shared they are using kick-starter type campaigns or shark-tank type competitions to gain employee input into where to invest dollars.

Culture Levers

There were several areas mentioned that could be levers to support the culture your company is building.

- Philanthropy

    Several companies present talked about leveraging philanthropy as a way to support their cultures. They allow employees to take time off work (all paid or part of PTO, some more formal arrangements like one day a year, others as part of team building during off-sites) to support volunteer efforts. Several do this through a corporate foundation and one had a platform built to match non-profit opportunities with employee skills.

- Wellness Initiatives

    Several companies had wellness as a part of their cultures. This is supported by things like healthy foods subsidized in their cafeterias, free or subsidized on site fitness centers (one company increased usage by three times once the fee was eliminated) or gym subsidies and onsite health screenings.

- Working Environment/Flexibility

    As mentioned above, workspace is important to support culture. Companies also mentioned flexibility and the working environment as important – especially if trying to increase collaboration. Some companies that are trying to be less hierarchical are eliminating business class travel and reserved parking spaces for senior employees. Others are using communication tools differently – one company has no voicemail option; another is recommending that employees do not email as much.

Driving Action Through Analytics

As more companies move to the cloud, their analytic capabilities are increasing. Several companies have established dashboards and a culture specific scorecard measuring things like decision-making, communication, and psychological safety. One company found a linkage between employee understanding of strategy and feeling of inclusion (having a voice, company encourages differences). While most companies have used surveys and continue to do so, they have generally decreased in the number of questions asked but increased in the frequency. Several companies are moving away from surveys because there is less action planning taking place and a lack of outcomes.

This Summary Report was prepared by Beth Flynn-Ferry for use by participants of the Driving Culture Change CAHRS Partner Working Group.

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