



Working Group: The Role of Culture in Driving Accountability

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Participating Organizations:

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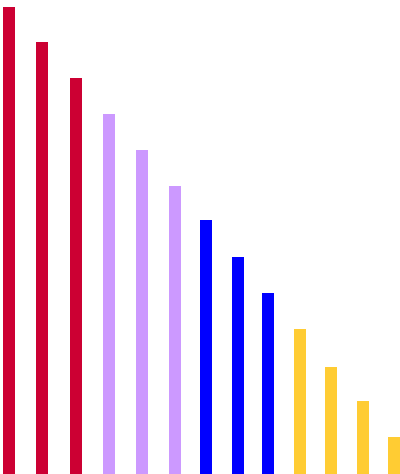
Key Takeaways:

1. Many companies are evolving their culture to be more tightly aligned with the current and future direction of their business. Alignment requires companies to manage tensions that can arise from competing priorities (e.g., managing risk vs. employee empowerment) and the desire for both consistency and local adaptation.
2. Given the important role that leaders play in shaping culture, companies are increasingly focused on helping leaders communicate cultural priorities to their employees as well as setting clear behavioral expectations, which are reinforced through accountability mechanisms.
3. Beyond leaders, there are a variety of other levers that companies can use to reinforce or change their culture, including social media, workplace redesign, culture campaigns, and policies.
4. Given the rise of social movements in the workplace, companies are taking steps to create a culture in which employees feel comfortable and empowered to speak up when they see an issue.
5. It remains challenging to quantify culture, but companies are employing a variety of tools and analytics in an effort to measure and track their culture and are also experimenting with some new and innovative assessment methods.

We know that culture is an important part of engaging employees in organizations and achieving business performance. As companies look to create cultures that will lead to positive employee experiences, they are increasingly focusing attention on how best to hold employees, in particular leaders, accountable for behaviors that align with the culture and how to create systems and processes that monitor for the desired culture and employee experience. This working group explored how companies are using culture to drive accountability of behaviors and, in turn, create the desired employee experience.

The Evolution of Culture

The group started the day by discussing the current state of their culture and also where they see it heading in the future. Several themes emerged from this discussion that provide insight into some of the challenges that companies face in this arena.



First, it can be challenging to ensure that the culture is aligned with the business. For example, some companies have found that how leaders *see* the culture does not necessarily match what the culture is supposed to *be*. Also, competing priorities (e.g., managing risk vs. empowerment) often create tensions that need to be actively managed and aligned.

A second and somewhat related issue concerns whether to promote a universal culture across the company or to allow different units to develop their own subcultures. The consensus among the group was that it is okay to have subcultures as long as they fit within a set of overarching principles and values that cut across the company. That is, there should be clear and consistent messaging at top of the company to reinforce fundamental cultural principles across the company. At the same time, there should be room for cultural nuances at the local level (e.g., based on business or geography) that adapt to differences in the talent or the work being performed. In fact, some companies noted that they have purposefully set aside certain groups (e.g., innovation center, incubator) that they want to isolate from the dominant culture and allow to form their own distinct culture. That being said, one of the challenges associated with subcultures is that it can prove more challenging to move people across units. While some people can make the adjustment, others are unable to make the leap.

The Role of Leaders

The discussion of subcultures led the group to turn attention to the important role of leaders, since they are the ones largely responsible for shaping the local culture. For example, leaders need to clearly define the desired culture and what it means for employees. To this end, one company noted that they provide leaders with a one-page document that outlines how to communicate with employees about what innovation means for them.

A key challenge most companies face is how to hold leaders accountable for living the culture. An important ingredient in creating accountability appears to involve establishing a set of clear and simplistic leadership expectations. That is, leaders need to be clear on the behaviors and actions (e.g., exporting of talent) by which they will be evaluated. These metrics then need to be incorporated into the performance management system so leaders are rewarded not only for results but also for the “how.” The reality, however, is that measuring the “how” remains challenging and, as a result, most companies still weigh results more heavily in compensation decisions. But, there are efforts underway across companies to bring these two components into better balance. Some companies, for example, are working to more explicitly integrate their cultural dimensions into their performance management system. Also, as the performance management process in many organizations becomes more conversation-based, cultural expectations are becoming a central part of the ongoing dialogue with leaders.

Culture Levers

As companies seek to reinforce or change their culture, there are a number of different levers that may be used. The group spent some time talking about the pros and cons of some of the different levers that have featured prominently in some of their recent culture building efforts.

Social media (e.g., Twitter, LinkedIn) is increasingly being used as a way to communicate culture, both internally and externally. For some companies, social media has also proven valuable for imparting the customer experience and better understanding what the customer wants.

Some companies have also looked to workplace redesign as a way to shape their culture. However, these redesign efforts can be challenging, and they require deliberate change management efforts that provide a clear rationale for the change and must acknowledge employee concerns. Leadership is particularly crucial to these change efforts, as they need to set the example (i.e., relocate to open office along with other employees). When successful, however, these redesign efforts have the potential to facilitate greater collaboration and stronger relationships.

Campaigns are another tool that can help promote culture building efforts. In one company these campaigns were structured around three elements: (1) Norms – how do we work together, (2) Tools/technology – how do we ensure technology supports participation and reduces bureaucracy, and (3) Innovation challenge – soliciting ideas from everyone on what we can be doing better.

Policies are another important mechanism for building and communicating culture. A challenge many companies face is ensuring that their policies surrounding maternity leave, flexibility, and other work-life issues evolve to keep pace with competitors. Also, it is important to ensure that the policies reflect what employees actually experience. For example, some companies have policies promoting flexibility, but the implicit norm is that employees are expected to be in the office.

Managing Conduct Issues

Given recent social movements in the workplace, such as #MeToo, increased attention is being focused on the role that culture can play in helping to unearth and manage conduct issues. Many companies, for example, have taken steps to create a culture in which employees feel comfortable and empowered to speak up when they see an issue. These steps can include:

- Establishing an open-door policy that encourages employees to go to anyone in the company with an issue
- Providing employees with “speaking up” training
- Setting up a compliance hotline
- Conducting risk culture surveys in every unit
- Adding social impact statements to corporate values

Assessing Culture

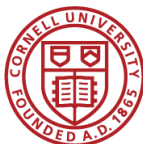
Although culture is notoriously difficult to assess and quantify, it is important to establish a set of tools and analytics that can be used to track trends over time and evaluate the effectiveness of culture building efforts. Some of the more common tools and analytics used to assess culture include exit surveys, engagement surveys, separation/turnover figures, sentiment analysis, and social networking analysis.

Some companies are also experimenting with more novel methods of assessing and tracking their culture. One company, for example, created an advisory group that provides regular feedback and input on culture issues. Another company identified “influencers” (e.g., certain members of employee resource groups) that can serve as important barometers of the culture. Finally, a company hired an outside consultant to interview diverse talent that had left the organization so as to try to diagnose potential culture issues.

This Summary Report was prepared by Brad Bell for participants of The Role of Culture in Driving Accountability CAHRS Partner Working Group.

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