

Fifth annual

KELLOGG MARKETING
leadership **SUMMIT**

Cultural Transformation for Growth in the Digital Age

NORTHWESTERN UNIVERSITY

Kellogg
School of Management

EgonZehnder

McKinsey&Company

Culture Matters (especially to CMOs)

EgonZehnder

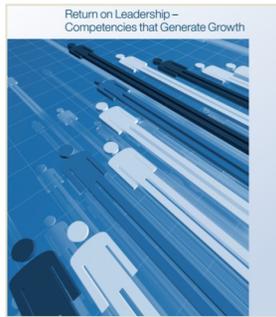
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Looking back

2011 – Spiky Leaders



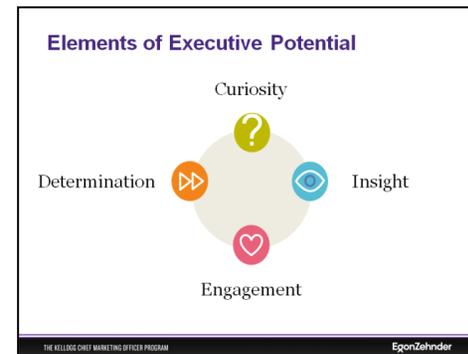
2012 – Big Data



2013 – CMO Redefined



2014 – Potential



Defining culture



Defining culture

- Patterns of **shared values and beliefs** that over time produce behavioral norms adopted in solving problems.¹
- **Culture is a body of solutions to problems** that have worked consistently and are taught to new members as the correct way to perceive and feel in relation to those problems. The sum of these shared philosophies, and norms **bind the organization together.** ²
- **Culture is the way** people are taught to perceive the world and to **behave in it.** It reflects shared beliefs and values.

Intentionally or not, organizational culture is created by leadership.

¹ Hofstede, Neuijen, Ohayv & Sanders, 1990; Owens, 1987

² Schein, 1990

What is organizational culture?



<https://vimeo.com/140737444>

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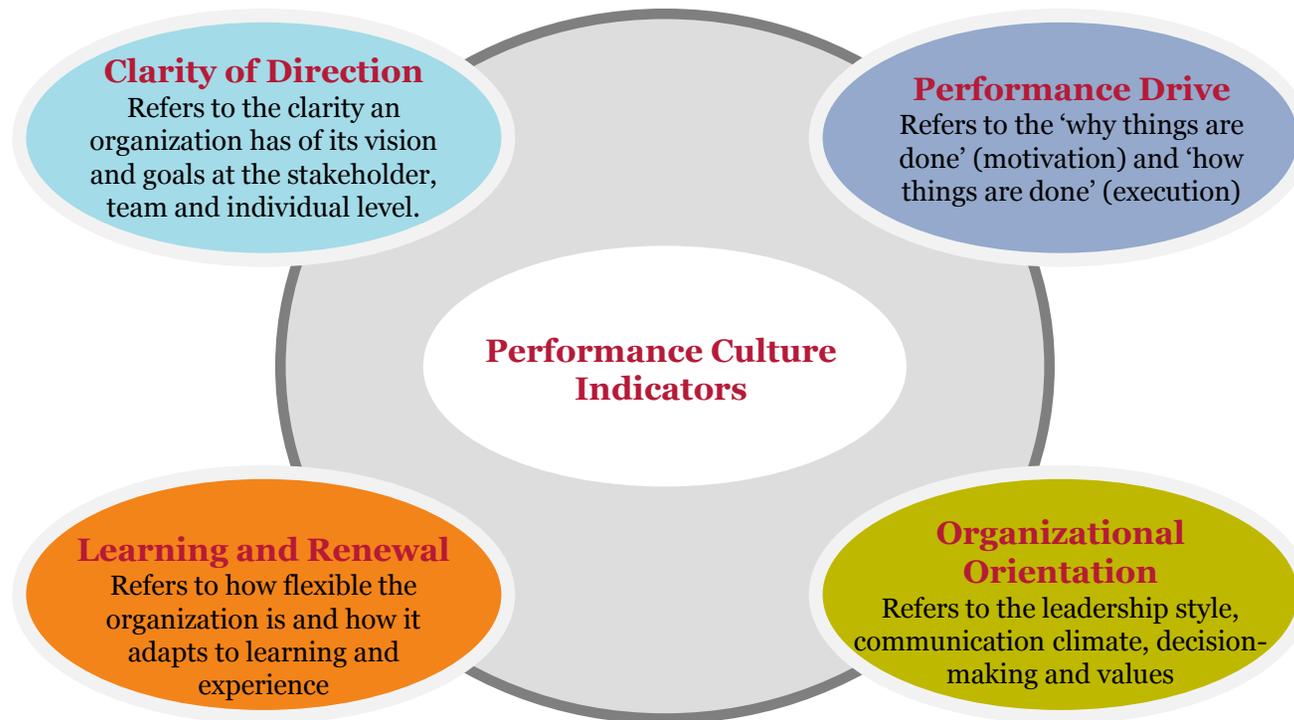
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Evaluating culture

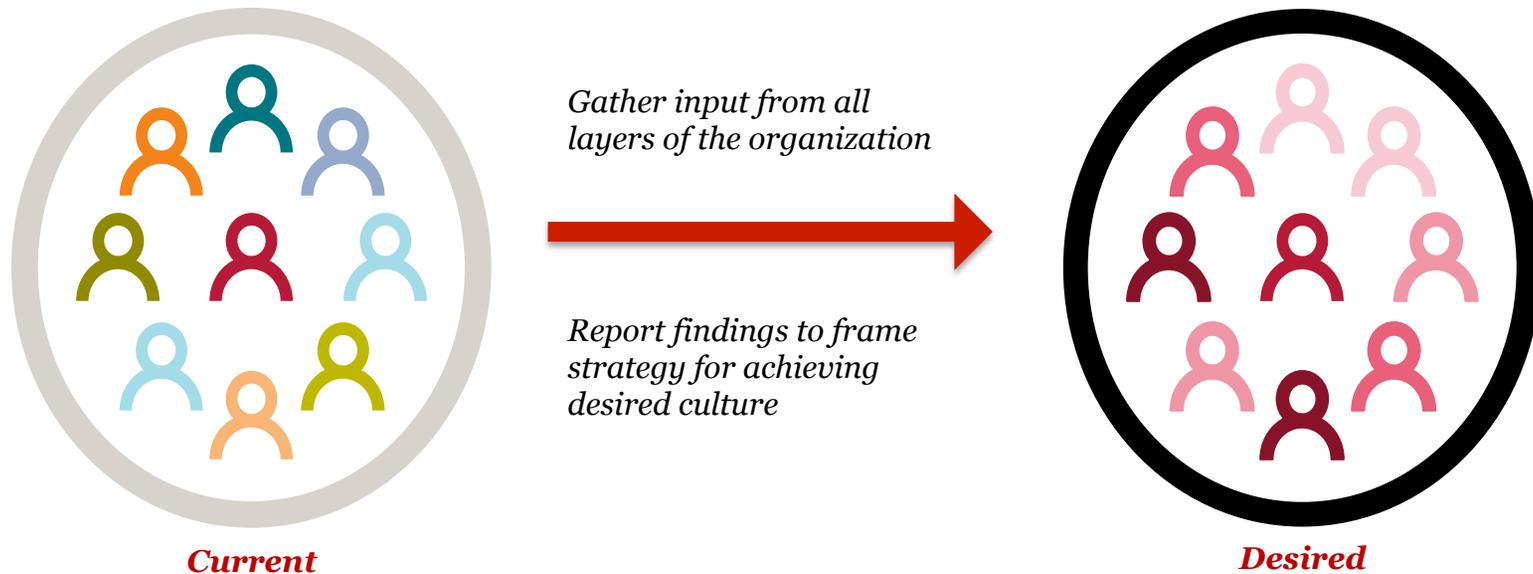


Evaluating culture on four key dimensions



Our Culture Diagnostic: Mapping current culture to desired culture

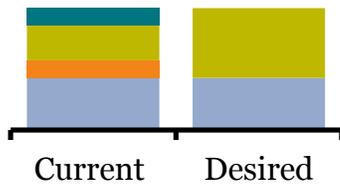
Fosters greater understanding, alignment and success when shaping a new culture



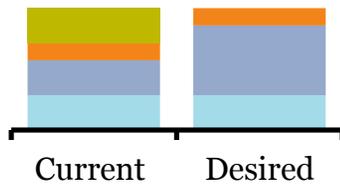
Culture Diagnostic: Performance Orientation

Strongly Agree Agree Neutral Disagree Strongly Disagree

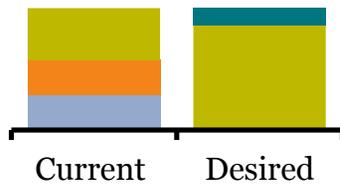
Results are more important than rules, standards and procedures



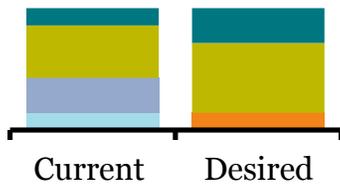
There is an on-going monitoring of achievements against objectives



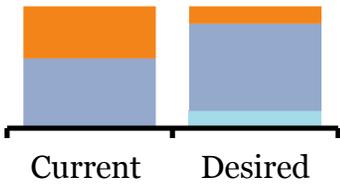
We react to customers rather than pro-actively addressing their needs



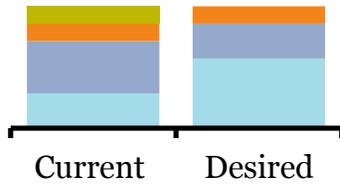
Decisions tend to be intuitive and not based on detailed analysis and discussion



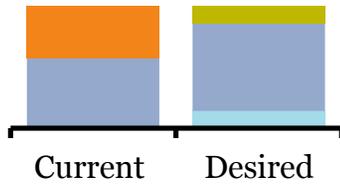
Strategic direction and pace/urgency are driven by the leadership team



There is a culture of accountability in the organisation



Fact-based analysis and external benchmarking is used to deliver higher levels of performance



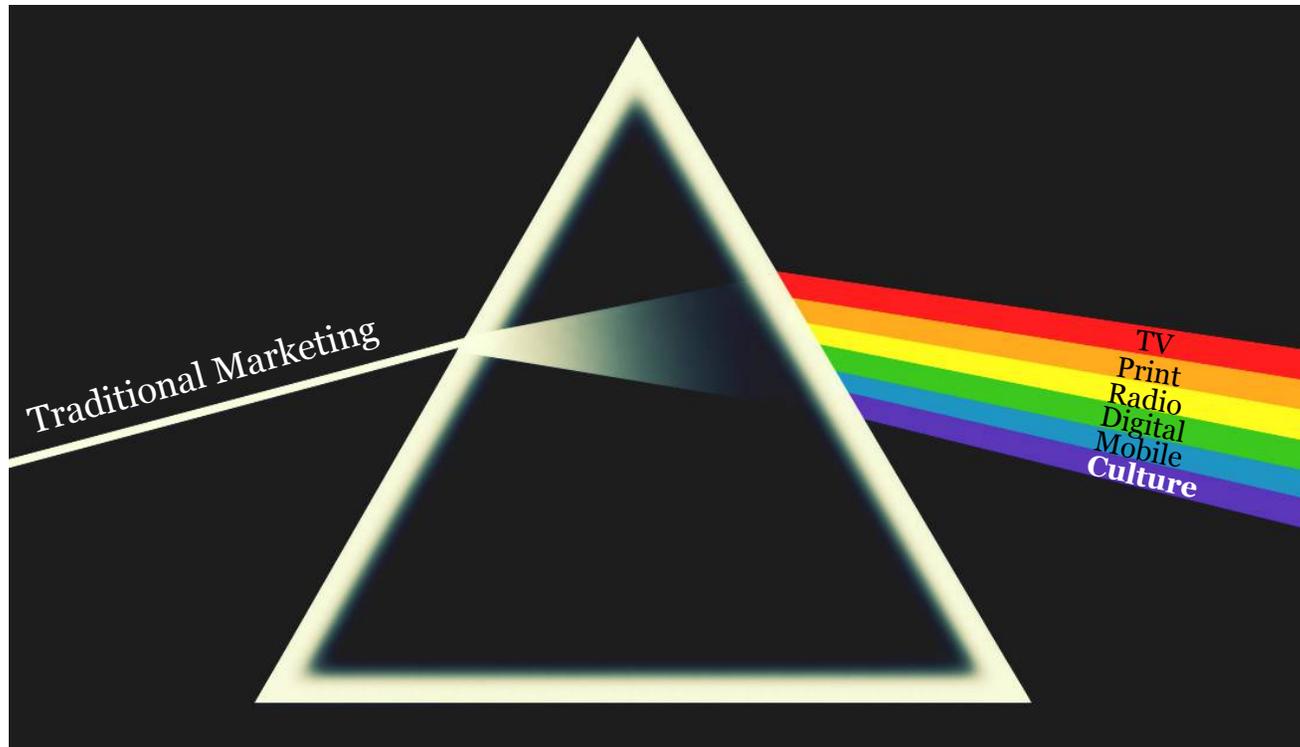
Culture as a marketing tool



Creating a culture that drives your brand

- **Fostering Performance Ethic**
 - Set transformational targets
 - Systematic and relentless execution (process control, not quality control)
 - Adopt few, but targeted metrics
 - Undo the budgetary straitjacket
- **Creating a Passion for Renewal**
 - Organizational humility (commitment to fact-based decision making and organizational learning)
 - Commitment to innovation
 - Desire to seek or create new niches
 - Adding value through acquisition
 - Alignment of brand/cultural values of the organization
- **Enabling Leadership Liberation**
 - Align talent with the right cultural attributes
 - Cultural and operational symmetry
 - Fact-based decisions
 - Root-cause analysis
 - Favor strategic leaders with attention to detail
 - Exhibit energy and drive
 - Collaborate freely

The culture/brand dynamic



Culture is your most foundational brand channel.

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