



KORN FERRY

BE **MORE** THAN

Culture is just a buzzword*

***If you don't know its true value**

Did you know that nearly 2/3 of World's Most Admired Company (WMAC) executives attribute 30% or more of their organizations' market value to culture and 1/3 attribute 50% or more?



WHAT'S THE MOST UNDERRATED SUCCESS FACTOR FOR ANY BUSINESS? **CULTURE.**

Is having a strong company culture nice to have, or essential to success? That's what we've been asking leaders in Fortune's World's Most Admired Companies (WMACs) list.

We surveyed over 500 senior executives from WMACs and peer companies to understand the impact culture has had on their success.

Now we're letting you in on their secret: WMAC executives said culture is the most underrated company success factor. And over a third say it's the top determinant of long-term success.¹

1. 38% cite culture as a top determinant.

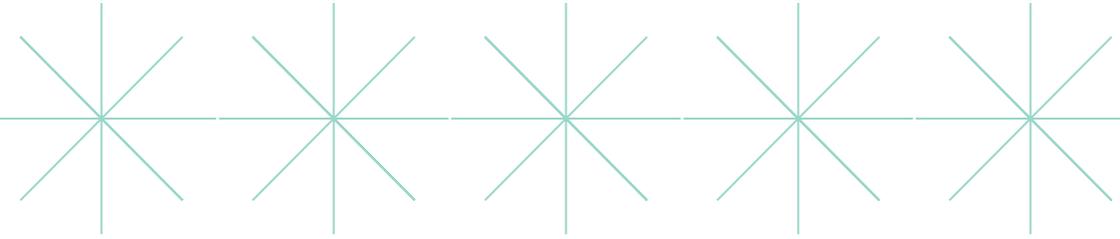
OUR VIEW?

The organizations with the strongest cultures have three things in common:

- 01** They align everything they do in service of the culture they want to create. From hiring decisions to corporate communications to performance evaluations, they rely on a full suite of culture change levers all working towards the same end. It's what we call Culture 360.
- 02** They expect every leader to be a **Chief Culture Officer**—modeling the culture in their own behavior and coaching others to do the same, and WMAC companies agree. In fact, 84% say role modeling by senior leadership is the most important lever for shaping organizational culture.
- 03** They don't wait on traditional cascades for new mindsets and behaviors to catch on. They architect culture movements by leading with purpose, activating early influencers at all levels and empowering self-organizing teams to accelerate change.



84%
of WMAC executives say role modeling by senior leadership is the most important lever for shaping organizational culture



As the world emerges from the pandemic and braces for further uncertainty, we look at:

 The biggest threats (and opportunities) for culture today

 How WMACs are shifting their focus to protect their cultural advantage—and why

 What you can do to give your organization a cultural edge

**WMACs say a
STRONG CULTURE
drives 30% or more of
their MARKET VALUE.**

Now you can realize those results, too.



CULTURE NEVER SLEEPS

“

As we enter a new era, it's a great time to pause and take stock of your culture—is it helping you hit strategic priorities?

Mark Richardson - Senior Client Partner, Organization Strategy
Korn Ferry

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Your company culture, like your whole organization, is always evolving.

As organizations adapt to hybrid working, they've questioned everything they knew about what it takes to build strong cultures and cohesive teams.

Now as economic uncertainty looms, businesses are still searching for ways to keep their teams connected and their profits strong. And emphasizing and investing in culture has become more important than ever.

Although it might be tempting at times, turning back the cultural clock to revive 'old' ways of working isn't an option. As Randy Marmon, our Vice Chairman in professional search says, "The companies that are running back to 2019 won't be around for long."

So, what should organizations do instead?

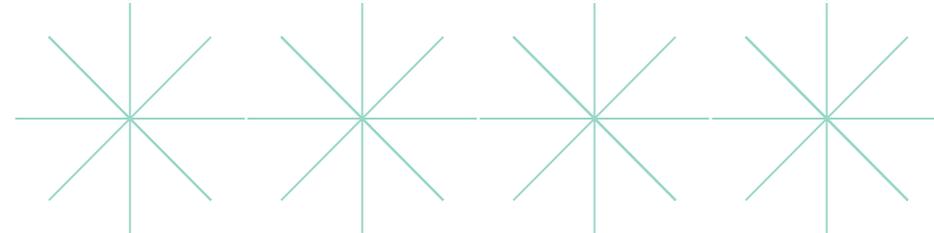
The way WMACs protect their culture to face an uncertain future is changing. Here's what we found...



IT'S TIME TO MOVE FROM WHAT TO HOW

Until now, WMACs, like many of their peers, have focused on what they need to achieve. Customer focus and results focus are two of their top three current priorities.

For the future though, Most Admired Companies tell us they're moving away from a relentless *deliver, deliver, deliver* attitude. Instead, they're strengthening their cultures by empowering their teams to succeed, knowing that delivery will follow.



The number one priority for WMACs in the future? Investing in their people's growth through learning and development.

Collaboration is moving up the priority list, too. In fact:

30%

agree that collaboration (whether virtual or in-person) is the behavior that will have the biggest impact on business performance in the future.

When times are tough, it's the teams that stick together and benefit from each other's skills that get the best results.

DOES YOUR CULTURE EXIST IN SERVICE OF YOUR STRATEGY?

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Change isn't a matter of time. It's a matter of will.

Jenna Young - Head of Client Creative, Korn Ferry

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First, there are some questions to ask:

DO YOU HAVE THE CULTURE YOU NEED TO HIT YOUR STRATEGIC GOALS?



IF YOU DO, HOW DO YOU PRESERVE AND PROTECT IT?



IF YOU DON'T, HOW DO YOU EVOLVE IT—AND BRING YOUR TEAMS ALONG WITH YOU?



Even if you're happy with the culture you have, maintaining it isn't always easy.

HERE ARE JUST SOME OF THE THREATS ALL COMPANY CULTURES FACE RIGHT NOW:

01

The International Monetary Fund (IMF) predicts a third of the global economy will be hit by a recession this year². Is your culture strong enough to keep your people happy without the promise of raises and bonuses?

02

The most talented people will always be in demand. Does your culture help you attract and keep the best talent ... or do people leave your business to be part of stronger cultures elsewhere?

03

If you're using a hybrid model, are new joiners feeling like part of your culture from the start? Are the bonds in your teams as strong as before? If not, how can you strengthen them without simply returning to the past?

²BBC News. (2023). Third of world in recession this year, IMF head warns. <https://www.bbc.co.uk/news/business-64142662>

04

When your business strategy changes, are your teams flexible enough to change with it? Companies that align culture in service of strategy are more likely to succeed.

05

Do you monitor the mood in your teams to stop issues before they start? Happy teams are less likely to share internal issues on external platforms, like social media.

06

Would you describe your internal culture as 'healthy?' New ESG requirements ask leaders to report on trust through transparency and organizational health. The stronger your business, the better your report will be.

One of the biggest benefits of making everyone a Chief Culture Officer is the 'see something, say something' effect it generates. When everyone's responsible for culture, people are more likely to speak up if things aren't working. It's one of the best ways to catch and deal with problems early before they derail your strategy or expose you to risk.



FOR A STRONG CULTURE TOMORROW, **ACT WITH INTENTION TODAY**

The old days of launching culture-change programs that took two or three years to embed are gone. Organizations simply can't wait that long.

To invigorate and evolve your culture so you don't just survive the changes ahead, but thrive, you need two things: the will and the way.



THE WILL

Korn Ferry leverages the MASS Model (mindset, ability, structure, systems) to accelerate behavior change at scale.

The will is largely about **mindsets**—having the right people, sharing the right messages in the right way to engage your teams and get them behind any changes ahead. It could even start a cultural movement within your organization.

To win the hearts and minds of your teams, it helps if your leaders are also compelling storytellers.

Any culture change story you tell should empathize with the way people are feeling now. Be open about frustrations or worries people have, but be equally clear on your vision, purpose, and blueprint for the future.

As the world and your business priorities change, that narrative can evolve too—the main thing is to keep communicating. The more open and positive you are now, the more you'll energize your teams and accelerate the kinds of changes that will protect your culture and business in the future.



Korn Ferry's MASS
model for behavior
change at scale



An effective senior team

A compelling “always-on” narrative

Self-aware leader-learners

**Incentives that motivate the
right behaviors**

Experiences that shift mindsets

THE WAY

The way is largely covered by the other three quadrants in our MASS model; abilities, structures, and systems. This is the ‘how’ that WMACs are already acting on.

Abilities are about more than outcomes. If you’re not sure whether you have the talent your culture needs, assess and measure people on how they’re working, not just what they deliver. Keep—or hire—those that have the right attitude to shape your business. And develop teams to work in the ways that support your culture, satisfy their career objectives, and get the best results.

When you know how your business needs to work to get ahead, make sure you have the organizational **structures** in place to make that possible. That might include bringing in more internal mobility and flexibility. Or encouraging different teams to come together hackathon-style to solve problems.

Finally, make sure you use the best **systems** to support the culture you’re creating. For example, if you’re going through rapid change, replacing an annual performance review with continual feedback and coaching could make your whole culture more agile.



New talent that embodies the future state

Culture-aligned training and development

Performance evaluations that asses “the how”

Organization & team structures that make new behaviors possible

Physical and virtual workplaces that support the future of work

YOUR CULTURE IS YOUR BEHAVIORS— AT SCALE SO, BE CLEAR ON THE BEHAVIORS YOU WANT

Transforming your culture for future success may be easier than you think.

We always say your culture is your behaviors at scale. Do your people have the motivation, mindset and ability to drive your business in the coming years? If you can change the way just 10% of your people behave at work, you'll hit cultural mass—making it easier for new norms to become mainstream and culture to shift. So, make sure you've mapped out the behaviors you need from the start.



HOW DO YOU HIT CULTURAL MASS?

With the 8 conditions of Movement Making.

01

A VIEW TO A BETTER FUTURE

There is alignment and consistent communication around a common view of a desirable future, which instills change agents with a sense of purpose.

02

AN ALIGNED CLIMATE

Organizational and societal events come together to create fertile ground for change.

Movement Makers 'strike when the iron is hot', thus amplifying their voice and impact.

03

A DEDICATED GROUP OF PIONEERS

The founding group better understands one another's strengths and roles are solidified. New members are brought in with the intention of building a 'leader-full' movement.

04

A STEADY CADENCE OF VISIBLE WINS

Wins become increasingly bigger, more frequent, and more visible as additional change agents emerge. They leverage physical and digital channels to maximize visibility.

05

A NOVEL AND CONSISTENT BRAND

The movement's name and brand spread to other parts of the organization and the public via the media. Various change 'moments' are branded as part of a unified movement.

06

A 10% INFLUENCER NETWORK

As more and more influencers talk about the change; the conversation goes viral, the benefits of change become increasingly clear, and the movement takes on a life of its own.

07

INCREMENTAL CALLS TO ACTION

Stakeholders are empowered to make small changes within their spheres. Requests are bite-sized and staged thoughtfully so that discomfort is minimized.

08

CODIFICATION OF NEW NORMS

New values, mindsets, and behaviors are adopted at the enterprise level. Established structures and systems are redesigned to better support the ideal future state.



TALK TO US ABOUT WAYS TO:

- Measure the gap between the culture you have and the culture you need
- Select culture solutions to drive 360-degree change
- Turn every leader into a Chief Culture Officer
- Make a movement

[CONTACT US](#)



Contributors

Sarah Jensen Clayton

Senior Client Partner, Co Head
of Culture Change & Communications

Laura Manson-Smith

Senior Client Partner, Global
Leader Organization Strategy Consulting

Mark Richardson

Senior Client Partner

Mark Royal, Ph.D.

Senior Client Partner

Jenna Young

Senior Client Partner, Head
of Client Creative Services

Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organization structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.

Korn Ferry. Career Makers. Business Advisors.