

Corporate Culture

Class #7

**UC Berkeley School of
Law**

Professor Grennan

Review of Class #6 Key Points

1. Even initiating the cultural change process can be challenging. 69% of executives admit to underinvesting in culture. Why? It's a mix of both internal (e.g., lack of focus, catalyst, agreement on objectives) and external causes (e.g., investors)
2. Typically, you need a catalyst for cultural change. Luckily, there are many: laws, investors, societal change, technology, etc...
3. The process of facilitating cultural change dialogues within a firm can identify that it isn't actually the cultural values that need changed, rather the systems (e.g., HR) or people (e.g., weak leaders) that reinforce or work against the culture that need to be changed.

Outline of Class #7

Topics: Conclusion

- “Elevator pitches”: student-led reflections and role playing based on their final project
- My final thoughts on corporate culture
- Course reviews

Networking

Please take a minute to think and raise your hand



Networking with your classmates is half the fun of being a student! Please share something about you.

If you could invite a famous person to share your commute to class with you, who would choose?

Corporate Culture #7

Elevator Pitches



Final Assignment

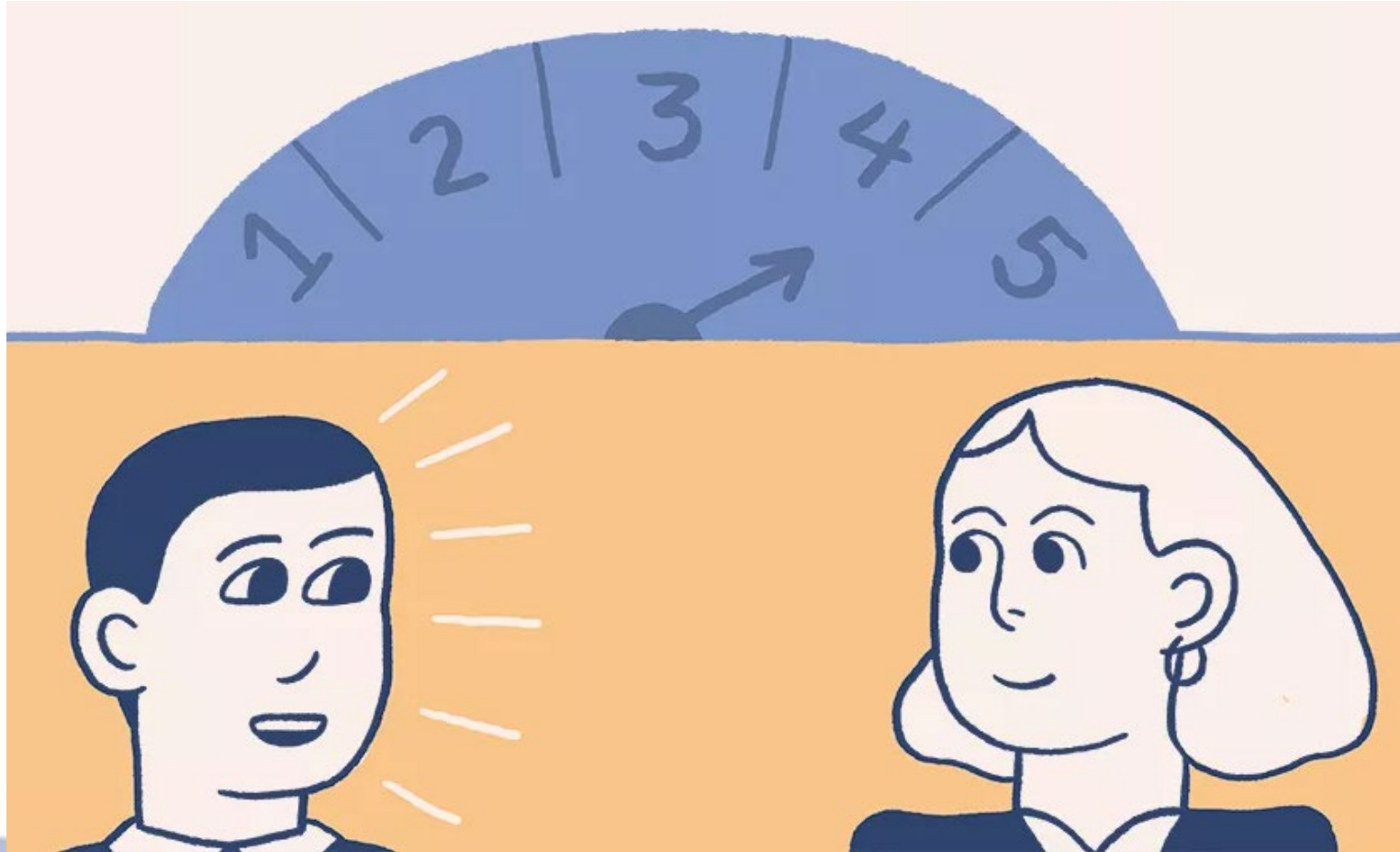
Option #1: Original research idea about corporate culture

Option #2: Case study of a firm that needs a plan for implementing cultural change. What mix of informal, formal, and compliance-related initiatives would you recommend to your client to help them achieve their goal?

Goal 1. Better post-merger integration

Goal 2. Better ESG performance

Let's Practice in Small Groups



An Elevator Pitch

An elevator pitch is a short explanation that you can use to explain what your plan is and why it matters. While the pitch should be put in your own words, it should include:

- What is your recommendation for the firm?
- What problem does your recommendation solve?
- How does it solve the problem?
- How is this approach better from what others could offer?

Feel free to shift around the order, if that makes sense to you. The ultimate goal is for you to speak with pride and passion about what you can bring and offer to the firm.

Deliver the Full Message

While we worked together on the core content of your pitch, this is one part of a hopefully longer conversation you can have with a prospective client or contact at a firm. In such a conversation or through a written request for proposal (RFP), you will also want to include:

- Who you are? What makes you qualified?
- Why you are reaching out?
- The direct request: your specific proposal.
 - If yes, what are the next steps, what metrics or deliverables can you show.
 - If no, is there something else that you can help with, brainstorm with your group on ways to keep communication open.
- Finally, say “thank you” and “believe” that you can succeed.

Corporate Culture #7

Final Thoughts



Corporate Culture Overview

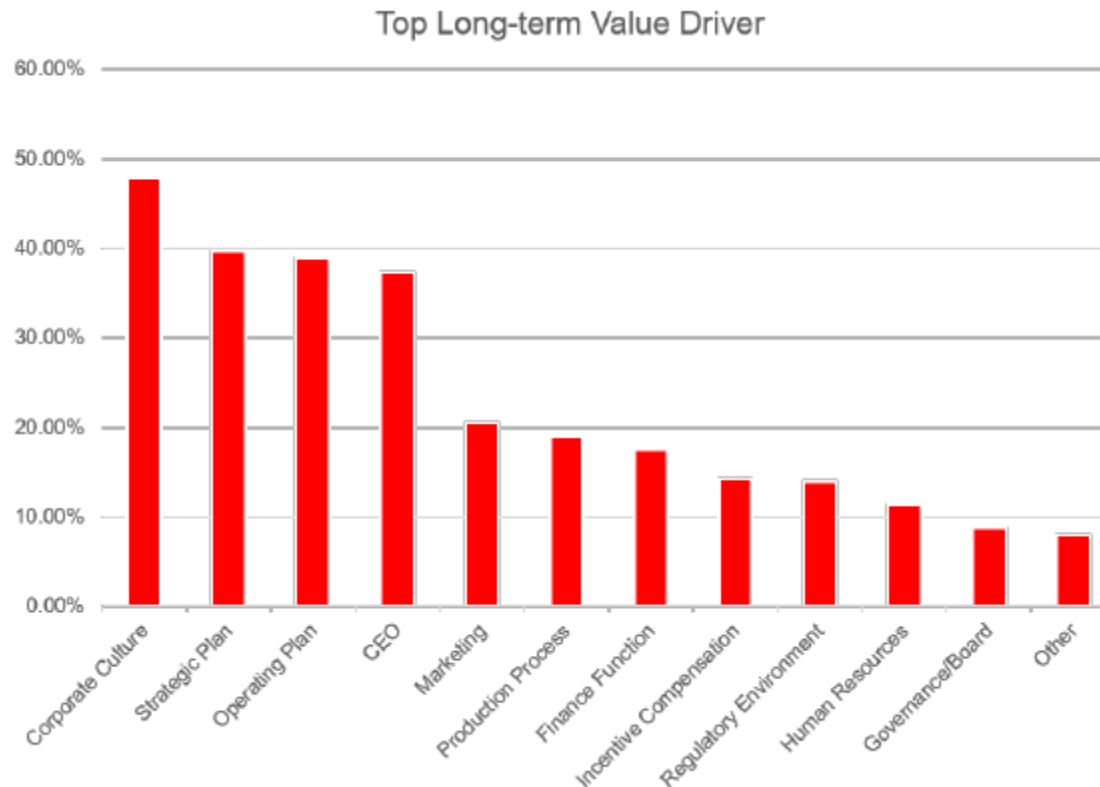
- **Culture and the work-from-home debate**
- **Definitions of culture**
 - The importance of perspective, the iceberg analogy
- **The importance of defining cultural values**
 - Amazon, Uber, and why espoused vs. lived culture differs
- **Culture as an informal institution**
 - How formal systems reinforce or work against culture
- **Culture and business outcomes**
 - Groupthink, Enron, Theranos, and an effective culture
- **Culture and people**
 - Teams (Google) and leaders (as teachers, as influencers)
- **Cultural change**
 - Challenges, catalysts, the role of cheerleaders, etc...

Congrats! You've Learned So Much.



- You now know a lot about a key aspect of the inner workings of firms – their culture!
- This is important since firms have millions of employees who cooperate to produce goods and services, and the value-added that occurs inside firms exceeds that in markets.

The Relevance of Corporate Culture



- Corporate culture is the key aspect to performance!
- According to a survey of 1,348 executives, culture is the most important driver of long-term firm value!

Textbook Definition

Culture is the pattern of behavior that is reinforced by systems and people. It is manifest in the norms or expectations that people have for how they need to behave to fit in and succeed in the organization.

Reflection

Please take a moment to think and then raise your hand to share.



In the textbook definition, is there something missing? Where does technology and globalization fit? Through influence on systems or people? Is technology its own reinforcer? Or is what today's technologies enable – learning – what's missing? Or is it this a good definition?

What Will the Future of Work Be Like and What Role Can You Play in Shaping It?

Workers Want Flexibility

Employees want greater ownership and choice in work environments.

WFH and the return to hybrid continues to challenge society's notions of what defines the optimal workplace.

- 87% of workers want to choose whether to WFH or the office and to be able to manage their office hours
- 63% want to maintain the autonomy they experienced during the pandemic
- Aspiring leaders top advice to current management was to prioritize effective collaboration and communication

How Will the Office Evolve?

THE EVOLUTION OF THE OFFICE

THEN

Office of Utility

- We provide you with the tools to do your job
- Assembly lines and open space with cubicles

NOW

The Playful Office

- Hotdesking, play areas and wellness rooms
- Creating playful conditions conducive of innovative, creative thinking

NEXT

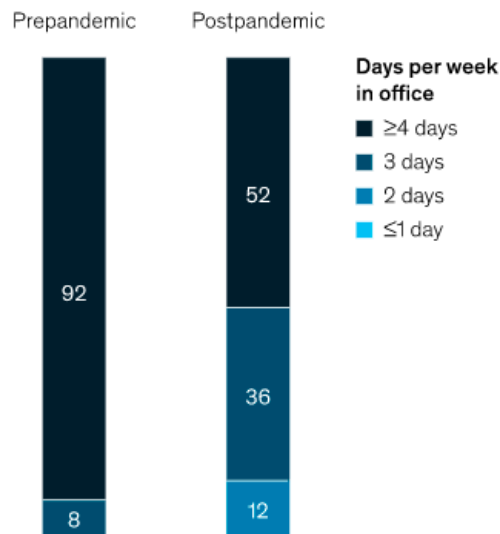
The Liquid Office

- Agile spaces for a distributed workforce
- The workplace is a centaur, a hybrid of a physical and digital workspace
- HQ becomes a physical representation of organisational values
- Human-centric design

Executives Do Not Want As Much Flexibility

Most C-suite executives report believing that the primary center for work will be the office.

Average share of workdays in office reported before and expected after COVID-19 pandemic, % of C-suite respondents (n = 504)¹



¹Based on responses from 504 C-suite executives.
Source: McKinsey CxO Survey on Return to Workplace, May 2021

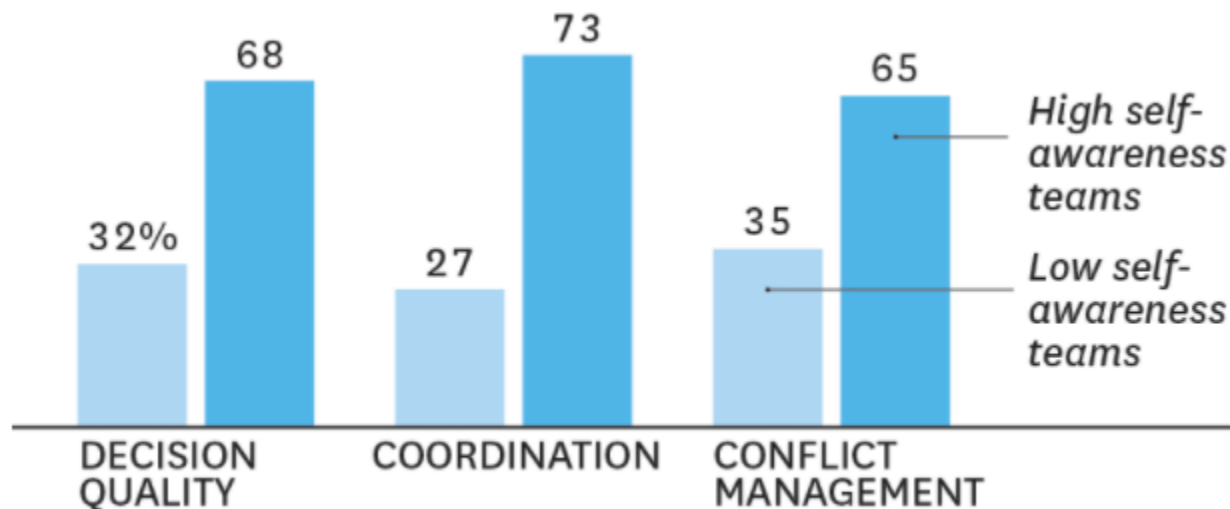
- **McKinsey study found that executives want significant in-person presence.**
- **Yet employees do not.**
- **The disconnect suggests equity concerns: an increase in attrition, job dissatisfaction, and disengagement.**

Does Self-Awareness Play A Role?

HIGH SELF-AWARENESS LEADS TO BETTER TEAM PERFORMANCE

A simulation shows that it affects decision-making, coordination, and conflict management.

PROBABILITY OF SUCCESS



Research on Self-Awareness

How many of people are actually self-aware?

- A study of 357,000 workers found an average correlation of 0.3 between self-evaluations and objective assessments. The correlation was even lower for work-related skills.
- Another study with thousands of people from all around the world found that 95% of people believe that they're self-aware, but only about 10-15% really are. That means that 80% of us are lying to ourselves about whether we're lying to ourselves.

My Final Challenge for You

Solve the puzzle: be aware

- If there's something about a firm, co-worker, or culture that you don't seem to like, why is that?
- What happened or what was said? Why did you react that way? What does that tell you about you?
- If it's not you, does the colleague not accept critical feedback? Can they not empathize? Do they have an inflated opinion of themselves or are they hurtful?
- Finally, what can you do as a leader, a teacher, and an influencer to make things better? You have the skill set and the power to invoke change!



I Wish You Continued Fun and Success!



- I am so proud of all your hard effort and excellent reflection papers.
- It's been a very fun fall term and wonderful introduction to Berkeley.
- I wish you the best of luck with your future endeavors!
- You are officially part of a growing group of culture experts.
- Please stay in touch.

Please Fill Out the Course Evaluation

Course evaluations provide vital data about classroom teaching for students, for the Law School administration, and for the instructors.

<https://www.law.berkeley.edu/php-programs/tevals-admin/tevalChoose.php>