

# THE CEO

## CULTURE REPORT



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**Evoloshen**  
Joy at work

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# CEO CULTURE REPORT – 2020

## INTRODUCTION

The world is going through massive disruption on many levels right now and the way we are building successful businesses seems to be changing as well. There is a shift happening in how we look at business. It seems as if culture is rising to the forefront, particularly for CEOs as you will see in this report.

At Evoloshen, we were curious to learn more from the CEO perspective around four key areas of culture. For approximately five months, our team at Evoloshen reached out to over 350 CEOs all over the world to ask four these simple questions.

- 1 What are the top trends when it comes to culture?
- 2 What mistakes are CEOs making when working on culture?
- 3 What are the biggest challenges to building an engaging culture?
- 4 How important is company culture on a scale of 1 to 10 and why?

A CEO from a multibillion-dollar manufacturing company shared that *“business leaders are acknowledging that culture is important, but I see very few companies actually doing the work needed to make culture better. I think the acknowledgement by business leaders means the lightbulbs are starting to flicker but it’s going to take a lot more than that to import business culture around the world.”*

Evoloshen contacted leaders from many different industries and company sizes, from start-ups to publicly traded global companies. We connected to CEOs predominantly throughout Europe, North America, Australia and New Zealand. It was clear that the CEOs who responded to participate felt that culture was a priority for them. We did not have any CEOs who did NOT feel that culture is a priority for them, which was expected due to the nature of the questions. Although this could make the report more partial towards focusing on culture work, we believe this is certainly a priority for leaders who want to ensure the success of their company.

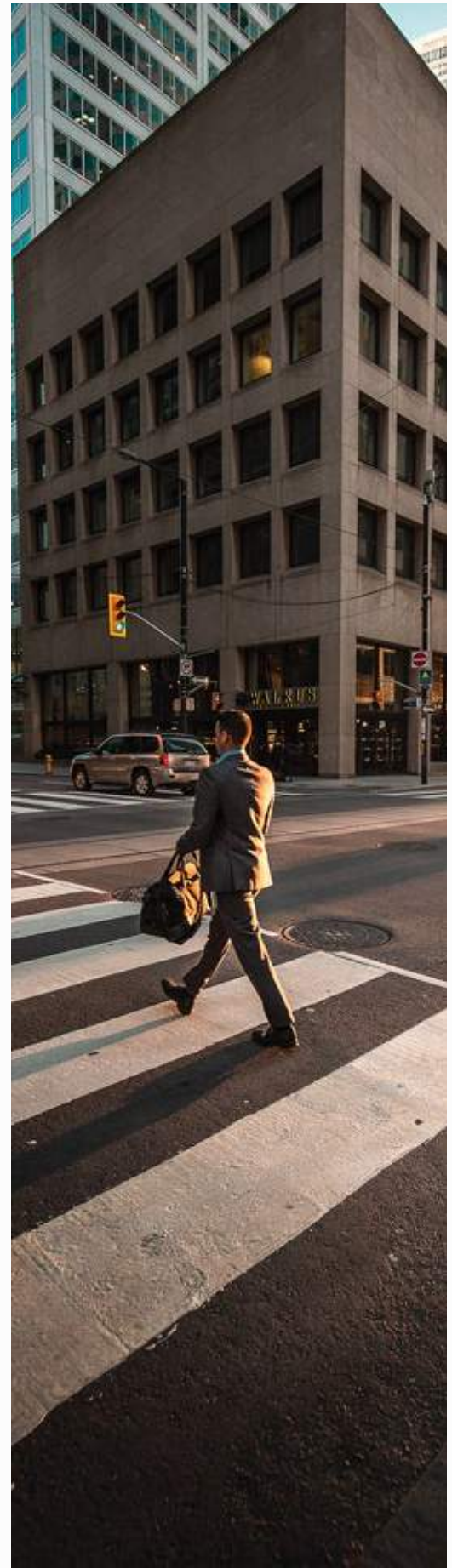
This report reflects CEO insights and what was shared with Evoloshen, either via written answers or the 70+ interviews where we captured their words directly.

Themes that came up consistently from the leaders in each area are highlighted in this report, together with the CEOs thoughts in their own words. The answers were confidentially collected. We have quoted a few leaders with their approval of course. As two CEOs succinctly put it:

*“The culture is the way to transform businesses”*

We stand on the shoulders of progressive leaders committed to making a difference in their work. We hope you enjoy the information as much as we have enjoyed compiling the data to share with you. It is our hope that the insights you gain in reading this report can be used in a productive way on your journey in creating an amazing company culture.

Karin Volo  
Chief Joy Bringer & CEO  
Evoloshen | February 2020



# WHAT ARE THE TOP BUSINESS TRENDS WHEN IT COMES TO CULTURE?

## 1 ATTRACTING AND RETAINING TALENT THROUGH VALUES AND CULTURE

Finding top talent is at the forefront of CEO minds and was the most common theme arising under this question. There has been a shift in priorities as across generations, people tend to rank culture, purpose, and values of high importance when considering a new job.

### KEY POINTS:

- ▶ Culture is an asset for a company.
- ▶ Culture attracts and retains top talent for long term success.
- ▶ People look for positions that are aligned with who they are and which give them the lifestyle they desire.
- ▶ The likelihood of a candidate staying longer increases significantly when they are a strong match to the company's culture, values, and purpose.
- ▶ Companies that support and invest in their people rise to be the winners in recruiting top talent.
- ▶ People want more education & development..
- ▶ An authentic story that communicates the values and purpose helps to attract talent (and customers as well!)
- ▶ Employees feel valued and supported in their future advancement when a company provides education, mentoring and formal training.

According to our sample of CEOs, younger generations are looking for purpose driven companies that invest in their development. They want to know and understand the culture of a company before they join. Employees also need to understand that they can take ownership for their engagement and that they are a vital part of the company. Let them know how they contribute to the greater good of the entire team and company. The culture needs to be “lived in people’s minds, intrinsic to them and integrated into the DNA of the company.”

**It's vital to have a value driven culture and find that common purpose.**

Helena Holmgren, CEO Pricer

### TIPS TO PONDER:

- ▶ **Mats Röjdmarm, CEO at Universum**, a global employer branding firm, shared an interesting idea: “It’s becoming more popular for new talent to work in a start-up company but there is still a large group that wants the bigger companies too. When big companies are looking for specifically hard to find talent, they may offer them a small satellite office with the start-up environment, supported by co-working office space. They may also experiment with introducing other aspects of the start-up environment to attract this talent, like flexible work conditions.”
- ▶ Conduct regular “stay interviews.” Instead of conducting only exit interviews to learn what caused good employees to quit, hold regular one-on-one interviews with current high-performing employees to learn what keeps them working in your organization and what could be changed to keep them from straying.<sup>1</sup>



- ▶ How are you using your culture as an asset to recruit top talent?

The culture of a company is dynamic and constantly in action. It is something to work on and develop and cannot be forced. It shouldn't happen by default. When you are proactive in developing your culture, a lot of issues such as high attrition rates or productivity can significantly improve, which has a direct impact on the bottom line.

## KEY POINTS:

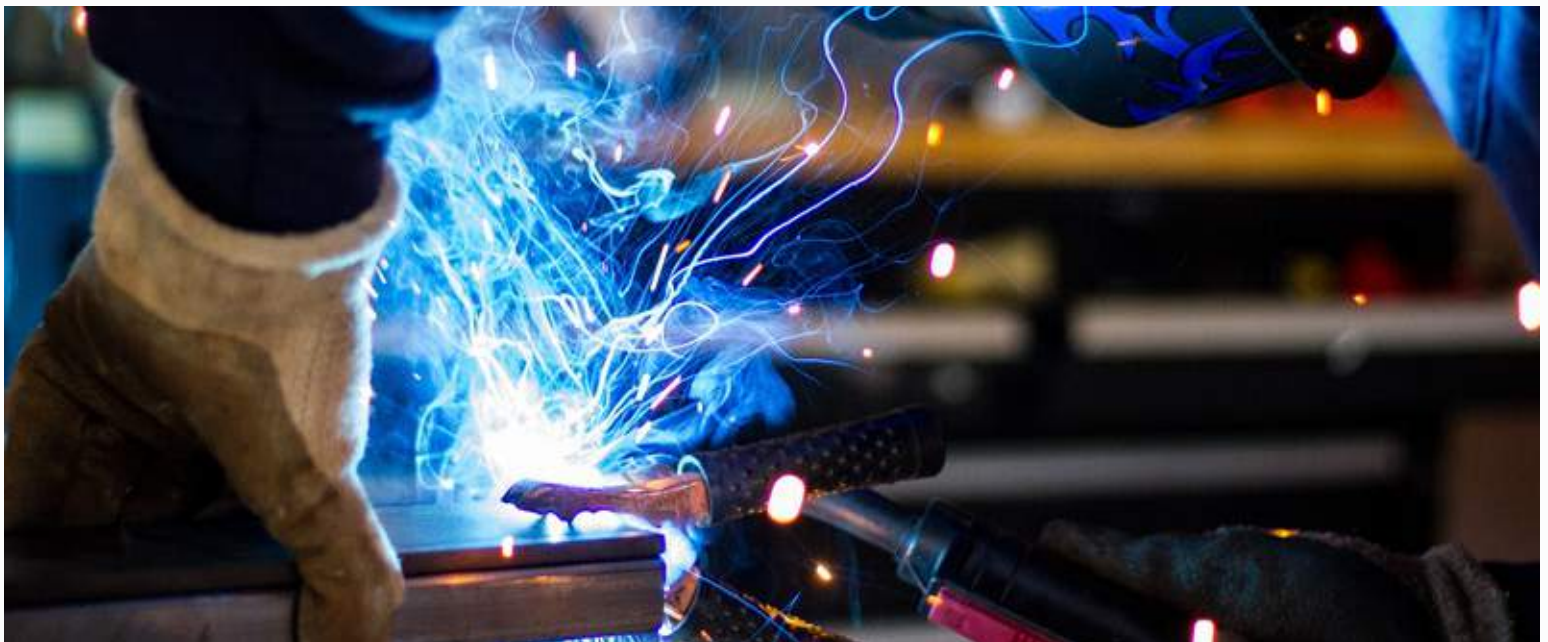
- ▶ Culture is the most important part of the company.
- ▶ Culture is now rising to the consciousness of leaders so that you can proactively work on it with various strategies.
- ▶ Focus on attitude and behaviors, this is what creates results.
- ▶ Create an intention to make the world a better place.
- ▶ Engagement, experience, high performance...the words may change but the essence is the same—people reaching their highest potential. A good culture can foster this.
- ▶ Great engagement leads to a great culture.
- ▶ It is vital for employees to feel safe.
- ▶ Culture is becoming more tribal—you really want to create the place people want to come to work each day.
- ▶ Culture is not a top down initiative but rather something that is developing throughout the company.
- ▶ Create a culture where employees take responsibility and have the mandate to take decision within a certain framework.
- ▶ Flexible time and work-life balance are important for employees.
- ▶ Create a culture where everyone truly cares about each other.

In a recent interview on The Amazing Leader Series with **Bob Chapman, the CEO of Barry-Wehmiller**, a \$3B global manufacturing company and the author of *Everybody Matters*, he stressed the importance of caring in leadership. This has made a huge difference in his company's culture and increased engagement and loyalty for employees.

## TIPS TO PONDER:

- ▶ Find ways to measure your culture to make it tangible. There is a strong trend to move towards pulse surveys versus the annual surveys because we are all getting conditioned a faster flow of information. "Annual surveys are dead."
- ▶ Develop cultural ambassadors and understand the importance of the symbols, habits, routines, and rituals of culture. Be conscious of the impact of real business decisions and actions on company culture as well as the company's image of honesty and transparency.
- ▶ Produce a "Culture Manifesto"—an engaging, well designed document with great copy that provides clear examples of behaviors and values.

- ▶ What are you doing to actively define and develop your company culture?



Having a purpose was a very strong trend that surfaced in many conversations our CEOs. Purpose is a major part of the culture and one that can be used advantageously for marketing, recruitment, and retention—but it must be authentic!

## KEY POINTS:

- ▶ Being purpose driven is becoming a big priority in business.
- ▶ The WHY is asked for much more by candidates/employees than previously.
- ▶ Today's generations are driven by a sense of shared purpose. In order to bring their best results to the workplace, they need to feel that they are a part of the bigger picture and that they can make a difference.
- ▶ People want to belong to a company that is doing good things in the world and where they feel like they contribute.
- ▶ A clear purpose helps to create the culture and is a key ingredient for long-term success.
- ▶ There is a shift in thinking: Shareholder value is much broader now—such as society value or world value—and companies need to take responsibility.
- ▶ CEOs need the space to think long-term versus short-term that has been driven historically by the markets. Having a purpose helps to give that direction.

In August of 2019, nearly 200 CEOs of the largest companies based in the US signed a statement that the purpose of a corporation is to lead their companies for the benefit of all stakeholders—customers, employees, suppliers, communities and shareholders<sup>i</sup>. It is no longer solely about the profits. Research shows that purpose driven companies tend to be more profitable and have highly engaged employees. A study by Deloitte shows that a strong sense of purpose is linked to long-term success. And another study even estimated that “large enterprise companies can save an average of \$6.43 million in annual turnover-related costs<sup>iii</sup> for every 10,000 employees, when all employees feel their work is highly meaningful.”

“Investors are paying more attention to culture as a value enhancing asset in building company value over time” shares Garry Ridge, an Australian CEO for the WD-40 Company based in San Diego and running a \$2.5B company, who is also featured in The Amazing Leader Series. “There is a greater awareness among leadership of the value and importance of a positive culture in organizations.”

## TIPS TO PONDER:

- ▶ Have a personal purpose statement that drives your work and life. One CEO shared his personal purpose eloquently: “my purpose is to create value for people and society.”
  - ▶ A purpose statement addresses the WHY. A mission statement is the what. Make sure the purpose statement has an emotional connection that inspires people to want to be a part of your journey.
- ▶ Does your company have a succinct and clear purpose statement?
  - ▶ What actions and behaviors do you do to reinforce that purpose on a daily basis?



Trust, integrity, and transparency were words that often came up, either as something CEOs were actively working on or aspiring to integrate into their companies, understanding that it starts with their own leadership, actions, and behaviors.

## KEY POINTS:

- ▶ Transparency is essential for workplace happiness.
- ▶ Build trust between upper management and employees to help you hire and keep the most talented people.
- ▶ Business transparency is something to strive toward, to really embrace it and walk the talk.
- ▶ Transparency needs to be displayed by everyone in a leadership role within the organization.
- ▶ Be agile in your leadership.
- ▶ Be a servant leader or a values-based leader to increase trust.
- ▶ Trust your employees to do the right thing.
- ▶ Employees want to have more freedom in their work life and more autonomy.

Some additional words that surfaced were authenticity, compassion, empathy and compassion. These are words that seem to be more readily accepted in this day and age than even just a few years ago and seem to fall under the umbrella of trust. It seems like these “softer sides” of human nature may just be the hidden superpowers that make progressive CEOs stand out above the rest.

Trust is a topic that can be measured and we’ve recently put together a free report called *The ROI of Trust in 15 Hard Metrics* that can give some deeper insights.

## TIPS TO PONDER:

- ▶ A CEO of a US based company gives “one day per month to work on open projects” which seems to be a common strategy, particularly with innovative tech companies.
- ▶ Dr. Paul Zak, a neuro-economist and professor at the University of Clairmont states in his book, *The Trust Factor*, the two leverage points to work on culture and bring more joy into the workplace are trust and purpose. His research shows that both create a positive feedback loop of oxytocin, which will increase joy, happiness, engagement, and results. He is also interviewed in *The Amazing Leader Series*.

- ▶ How would you define your leadership style?
- ▶ Do you easily trust others or feel that people need to earn your trust?

**Setting the culture is a continuous process and not a one-time shot.**

Sten Karlsson, CEO WestPay



# WHAT MISTAKES ARE CEOS MAKING WHEN WORKING ON CULTURE?

## 1 DELEGATING CULTURE WORK OR NOT INVOLVING EMPLOYEES

It is a major mistake to underestimate the importance of culture and not to prioritize your culture. Culture work needs to be a company wide effort, from the front-line employees to the management, with the CEO setting the example.

### KEY POINTS:

- ▶ Culture work cannot be delegated 100%, the CEO must be involved, otherwise it is perceived as superficial.
- ▶ You simply can't outsource culture work—you need buy-in from every level.
- ▶ The entire management team must also understand the benefits of culture and the WHY.
- ▶ Culture cannot be solely a top-down initiative. Take the time to do the culture work from the bottom up.
- ▶ Culture is the business, it's not just there to please employees.
- ▶ The company culture will often be based somewhat on your personality as CEO and the behaviors you exhibit.

The CEO sets the stage for the culture work. There must be a solid vision and it needs to be communicated clearly as we'll see in the next big mistake.

**Culture is always important—it's like an invisible glue.**

Roland Flaig, Managing Director RWE Renewables Nordic

- ▶ How do you define your company culture?
- ▶ Do you have systems in place to maintain your company culture?

### TIPS TO PONDER:

- ▶ Don't separate culture from structure. Most culture work fails due to structures that do not support it or more often contradict it.
- ▶ Have a process where employees are included to define and develop the culture. Don't be too aspirational, i.e. define a desired culture that is too far from current reality.





Communication was a very strong theme coming from the CEOs we talked to, particularly the lack of clarity. “Communication is the classic mistake; you think everyone knows” but it’s easy to misunderstand. Vision and strategy need to be clearly communicated. Employees are more engaged and loyal when they feel that they are part of something bigger. A clear and well communicated vision, strategy and overall goals contribute to the company culture.

## KEY POINTS:

- ▶ It’s important that the communication goes both ways. Encourage your employees to provide their input.
- ▶ A major mistake is to listen only to the people reporting to you and not the organization as a whole.
- ▶ Don’t just talk about the company culture and then not act on it. Follow through!
- ▶ The culture is what you end up with, summing up all the actions and all communication within an organization.
- ▶ Don’t assume that people understand what you said or meant. Confirm multiple times.

And finally, when it comes to communication, it goes much broader than just internally or to the market. It’s what you do as a CEO on ALL levels. As a CEO for a Nordic energy company put it: **It’s a mistake when you “don’t focus on how you live your purpose and culture; every day you live the culture. It’s what you share on social media, [and how you] tell and show everyone this is who you are.”** This leads us into the next biggest mistake of not walking the talk.

## TIPS TO PONDER:

- ▶ One CEO simply stated that “a strategy is easier to communicate; a culture is how you behave or the behaviors.” What are the behaviors you want to see in your company?
- ▶ When you have solid and clear communications and can express again and again what your vision is, and explain WHY you do this, people will go above and beyond. This links back to both engagement and attraction of talent.

- ▶ How do you communicate clearly to your employees?
- ▶ What can you do to connect on a deeper level to your employees?

**Everything you do within a company creates culture.**

Emanuela Pedrocco, CEO, Dokumentera



A big mistake CEOs make when it comes to working on culture is that they underestimate the importance of their own behaviors and don't walk the talk as it is perceived by the rest of the company. CEOs have huge influence when it comes to culture and it starts with their own actions.

## KEY POINTS:

- ▶ Culture needs to be demonstrated, not talked about, especially to convince typically skeptical and cynical staff.
- ▶ If the CEO is not displaying the core values or desired behavior themselves, any sort of authentic culture work is not believable.
- ▶ Changing a culture is a very slow game.
- ▶ Be a role model, live it yourself and get buy-in from the organization. You are always on stage.
- ▶ Engagement comes from role model management and it takes discipline to walk the talk.
- ▶ You have to reflect the culture and live by the corporate values. People will watch your behaviour and decision-making, trying to understand how you want them to act.

For CEOs, it's vital that they take ownership for the culture, that they can walk the talk and lead by example. A CEO running a global retail firm shared her perspective that “not being present in the organization – treating culture as a project (not walking the talk) is going to cost an organization” in the long term.

## TIPS TO PONDER:

- ▶ There are tremendous changes affecting all of us and it is a mistake to not recognize that “society is going through profound change and uncertainty – as are employees – [we must] provide a compassionate support system” shared a CEO from a large US based scientific research firm.
- ▶ When a CEO does “not believe that everything that they do is visible,” it can damage the credibility. As a leader, you “have to live the culture yourself—when management doesn't do this, it's a real killer, not living your words” said another CEO from the retail industry.

- ▶ How do you show that you truly do “walk the talk”?
- ▶ What behaviors reflect your company values on a daily basis?

**Engagement comes from mutual trust and respect. To develop and sustain a trusting environment is an endless job.**

Erik Ringertz, CEO, Netlight Consulting



Another big mistake for CEOs is not trusting your people. Being trustworthy is the foundation for leaders. If you aren't trustworthy it will be more difficult. To build trust, you need to be a role model every day, in every situation and live the culture.

## KEY POINTS:

- ▶ It is important not to treat employees as numbers.
- ▶ Not listening to your people will result in a lack of confidence in the leadership.
- ▶ Lack of trust comes from not being transparent, not delegating enough, not trusting your employees enough, and not praising your employees enough.
- ▶ Management by fear is old thinking. Micromanagement will drain the organization and employees for any type of engagement.
- ▶ People want a certain level of autonomy—that requires trusting them.
- ▶ Have the courage to trust your culture

Jason Lippert, CEO of LCI Industries (NYSE: LCII), a \$2.5 billion global manufacturing company, shared that many CEOs “can’t dedicate resources to culture and leadership development. Most company’s still only “talk” about culture.” Jason suggests “putting money and resources behind the talk – improving facilities, hiring leadership development coaches, hiring personal development coaches, spend time listening to team members in listening sessions, start an internal leadership academy, hire philanthropy coordinators ... you can’t improve culture and leadership or make it a real competitive advantage without committing real resources to them.” It requires trust through the entire organization. Learn more insights from Jason Lippert in a more in-depth interview with on The Amazing Leader Series.

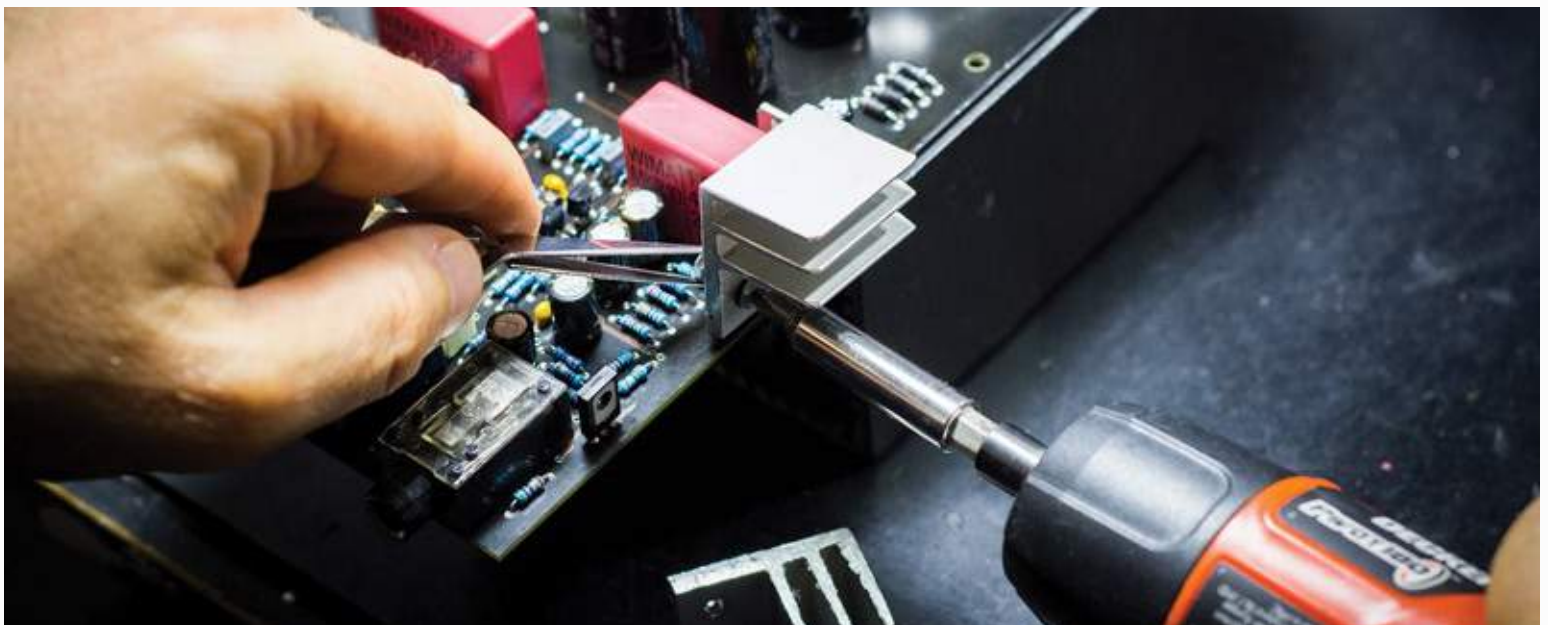
## TIPS TO PONDER:

- ▶ Lack of recognition surfaced several times in relation to trust. “Not rewarding good work – we often tell people what they do wrong but seldom congratulate them for the good stuff.” What can you do to recognize employees more?
- ▶ It is important to define the culture through the values, the purpose, and the mission. It’s a mistake if you are “not doing core value interviews when hiring, or not using core values as a feedback tool.”

- ▶ How do you model trustworthiness?
- ▶ What can you do to create a high trust organization?

**Trust and purpose reinforce each other in the brain and create a positive feedback loop.**

Dr. Paul Zak, Neuro-economist, Author of *Trust Matters*, Professor at Claremont Graduate University



Thinking only in the short term is a concern we've heard for many years from CEOs about their boards and investors, particularly from those who have venture capital or private equity investors. Some investors simply do not have a long-term perspective and the CEOs often feel that pressure, even if they'd like to have a longer perspective. When it comes to significant changes and building a winning culture, it does take time.

## KEY POINTS:

- ▶ Culture is not changed or developed in a short time.
- ▶ There's too much focus on financial results and short-term wins.
- ▶ Invest now and reap the reward later does not fit the stock market.
- ▶ Thinking short term is hurting the culture, it hollows out the whole business concept...business decisions are built on fear because of the business model.

A good balance between the short-term and long-term is needed. Much of this balance is dependent on the ownership structure, where publicly traded companies feel the most pressure and where privately owned or family run businesses generally have a much longer outlook. Let's now look at some of the biggest challenges around culture that CEOs are facing today.

## TIPS TO PONDER:

- ▶ There is some good news that the topic of culture is starting to show signs of being discussed at the board level as indicated by a recent study by EY in the UK<sup>iv</sup>. If this trend continues to grow, it will make it easier for CEO's to work on a longer perspective. It still seems however that there is a long way to go.

- ▶ Do you tend to have a long-term or short-term perspective?
- ▶ How can you shift or balance both?

**Working with culture is like standing on an escalator facing the wrong way...as soon as you stop you are going back.**

Peter Friedrichsen, CEO, myFC AB



# WHAT ARE THE BIGGEST CHALLENGES TO BUILDING AN ENGAGING CULTURE?

## 1 FINDING THE RIGHT PEOPLE

As with the top trend of attracting and retaining top talent, finding the right people was consistently brought up as a top challenge for CEOs. “People are the most important asset of the company. The focus is central in every strategy. Everything is around the people,” stated an Italian CEO.

### KEY POINTS:

- ▶ Finding the right people with the right attitude to join for the right reasons is a challenge.
- ▶ Attracting the right type of leaders is also a challenge.
- ▶ Recruitment is challenging from both culture and values and skills perspective.
- ▶ Making the wrong hires can destroy the culture very quickly. One “bad egg” can spoil an entire pie. And it can take some time to spot a bad egg.
- ▶ It’s vital having a team that understands the vision and can keep up with the pace.
- ▶ Understand human nature and human crisis.... the majority of reasons a team member has big problems at work stem from personal issues.
- ▶ Culture is fragile!

Regardless of industry, size of company, or location, finding the right people was a consistent challenge for CEOs across the board.

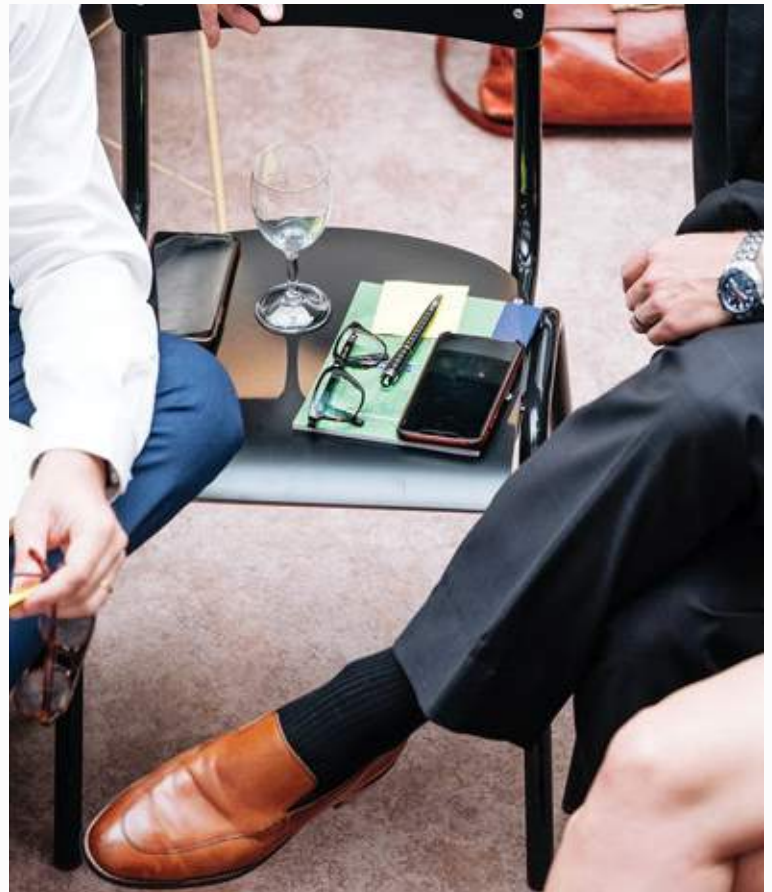
**People want to belong to a company that is doing good to society.**

Rob Basjes, CEO, Abena Netherlands

- ▶ How do you ensure you are adding the right people to your teams?
- ▶ Are you matching values and culture as a part of your recruitment process?

### TIPS TO PONDER:

- ▶ If a person is a high performer but behaving in a way that is damaging the culture – it can be a tough challenge to let that person go if the person is not changeable. However, if you don’t, it will end up costing much more in the long run.
- ▶ Recruit for values, train for skills. Zappos recruitment process has a step for each of their ten values. One of those values is “be humble” which isn’t the easiest to discover. The way they check that is to see how candidates treat the driver at the airport and the receptionist at the front desk. If they are disrespectful, that will take them out of the running.



Another big challenge we learned as a very common thread through multiple industries was developing employees. This ties in directly with recruiting and retaining top talent, especially since many of the Gen Zer's are motivated by, and actively looking for, opportunities for development. The development of employees goes for all generations and especially managers as well.

## KEY POINTS:

- ▶ Put trust in people and develop the people.
- ▶ It is difficult to keep engagement up when there is a lack of clear career paths. People tend to be curious about new challenges.
- ▶ A big challenge is teaching people or retraining them to understand how to lead.
- ▶ It takes energy and confidence to deal with issues and first line managers tend to prioritize where to spend energy. They often need more coaching and more help to deal with difficult situations, which could be through training.
- ▶ Have a common denominator so employees feel like they belong, then you can develop them.
- ▶ Take time to invest in working with the cultural development and leadership issues.

Developing employees, particularly through coaching and ongoing training, seems to be a solution that is working for many companies, particularly larger organizations. Having some sort of long-term development strategy for employees is a solid plan.

## TIPS TO PONDER:

- ▶ Build “sustainable leadership support” without giving in to the pressure of short-term performance versus building an enduring company over time. A CEO of a medical equipment company said “give people the room to experiment and improve. Give people the right environment to find their own solutions to different problems or challenges.” He calls this “employee empowerment”.
- ▶ Convince business leaders to hire resources. Adding leadership coaches, culture champions, personal development coaches...in short, resources dedicated to culture is a viable solution to long term sustainability. Bringing in coaches and developing people has worked incredibly well for several companies as we've learned from some of our deeper interviews with several progressive CEOs on The Amazing Leader Series.

- ▶ How are you developing your employees?



Just as working actively with culture was a big trend, a challenge on the minds of CEOs is figuring out how to maintain culture while still getting results. There is a balancing between engaging people and creating a nice culture and productivity. How can you make engagement and culture more tangible?

## KEY POINTS:

- ▶ The cultural message needs to be well communicated so that even the customers feel the culture.
- ▶ Understand that not everyone is willing, interested or open to be a part of a cultural change. Let those that want to be involved and leave those that want to be left alone.
- ▶ The culture must be true and genuine, not just made up from the CEO.
- ▶ Inspiring people to go above and beyond, and really hit their potential is often a challenge.
- ▶ Everyone in the team needs to reinforce the core values.
- ▶ People need to feel secure. They also like to be appreciated and recognized.
- ▶ Virtual employees, freelancers, and gig workers certainly add another dimension to maintaining the culture at a distance.
- ▶ Consider the differences and challenges between country cultures. Have some flexibility there.
- ▶ Make sure that the new people feel welcome and integrated – you can release massive potential this way.

The phase or size of a company presents some differences when it comes to maintaining the culture. In a fast growth phase, the biggest challenge is to hold on to the culture. In larger companies, unless it is embedded into the DNA of a company already, you will often find subcultures and it's much harder to gain a cohesive culture. One thing is certain, culture is fluid and dynamic. Maintaining the culture requires communication, engagement, and commitment from all stakeholders.

**It's important for people to contribute and to celebrate!**

Julie Barbier-Leblan, CEO, Merit Incentives

- ▶ What systems do you have in place to nurture and maintain your culture?

## TIPS TO PONDER:

- ▶ Take the essence of what the organization is about and translate it to the local business/country level.
- ▶ When a company starts to make acquisitions, many dynamics come into play. **Bob Chapman, CEO of Barry-Wehmiller** shared in The Amazing Leader Series that they've acquired over 100 companies in the last several decades and he considers them to be "adoptions" because he sees their team members as precious people that they have the privilege to lead.



In the final section for the challenges CEOs face, we combined the less frequent comments into three sub-categories of communication, change, and time.

## COMMUNICATION

### KEY POINTS:

- ▶ You have to spend a lot of time communicating and even then, people may not understand.
- ▶ Being a role model and delivering the message about how important culture is vital to success.
- ▶ It is a challenge to explain the trade off between our longer-term ambitions and next quarter as a publicly traded company.

Working on the culture clearly takes time and clear communications as well as commitment from boards, to leaders and managers, to employees, in order to create a place people are excited to spend their time.

## CHANGE

### KEY POINTS:

- ▶ Use change to strengthen the disruption of the culture.
- ▶ Be consistent in a fast-moving constantly changing world.
- ▶ We all need to change to keep good culture. Change can sometimes be hard.
- ▶ Keep motivated in constant change--you have to keep working on it.
- ▶ Don't make the mistake of quick fixes, short cuts, or to do something to gain sales or profit when it's not aligned with your values.

It's common for larger companies to go through reorganizations. If the culture is strong, the changes tend to be embraced more easily. If the culture is not strong, a reorganisation can certainly wreak havoc on productivity. For this reason, focusing on building a strong culture first, might make a big difference when dealing with change.

**If you have good culture today doesn't mean it will be good tomorrow. We all need to change to keep good culture.**

Mark Bewley, Managing Director,  
BDO Wellington, New Zealand

## TIME

### KEY POINTS:

One would think busy CEOs would have more to say about lack of time being a challenge but surprisingly, just a few commented on this.

- ▶ Have enough time to stop and consider how you are with people.
- ▶ Take time to focus on culture work.
- ▶ Do not let the busyness of business get in the way.

And as one CEO summed up her thoughts: "it takes time.... The best is to build the right culture from the start, and continuously make sure it's worked on to keep the culture as the company grows."

**When we buy new company, the strongest human feeling of belonging is essential. You have to make sure that the new people feel welcome and integrate. You can release massive potential this way.**

Soren Abildgaard, CEO, T Mobile Netherlands





# HOW IMPORTANT IS COMPANY CULTURE ON A SCALE OF 1 TO 10? WHY?

Company culture is a high priority and top of mind at the CEO level. Of the CEOs we interviewed, 98% of CEOs rated the importance of culture at a 9 or 10. There were just a few 7 to 8's and only one CEO from a healthcare company who said it would be 5 in the short term of the next three years, but an 8 within five years.

A few of the companies in green tech named environment and climate as a trend and challenge on the forefront of the CEOs mind. While other CEOs talked about transforming their companies from product centric to solution as a service. Consistently across the board, everyone who participated in the survey felt that culture was important and a priority for them.

## KEY POINTS:

- ▶ There is a huge difference between weak and strong culture. It's something that no one else can copy, it will sustain your competitiveness over the time.
- ▶ In a consulting business, culture is paramount.
- ▶ Culture is crucial for success; we are dependent on every employee delivering and contributing to the development of the company.
- ▶ Business is made by people who have to believe and belong to a company identity.
- ▶ Culture influences EVERY area in your company!

**Culture is the driving force when no one is looking.**

Matt Gallant, CEO, TribeOS

**98%** of CEOs rated the importance of company culture at a **9 or 10**

## TIPS TO PONDER:

- ▶ Culture is the strongest possible tool that you have, it's what drives the company and makes it resilient to change.
- ▶ You need strong culture representation on every site—a minimum of one person that has influence to carry the culture is a good place to start.

- ▶ How important is culture for your business?
- ▶ How are you actively working with defining and engaging your culture?



# INSIGHTS FROM THE QUESTIONS...

We can learn so much by sharing trends, mistakes, challenges and insights. Often CEOs can feel alone in their work. At times feeling they cannot truly open up or share concerns because it may be interpreted wrongly or as a weakness. They may feel they have the weight of the world on their shoulders. And sometimes, feel their job security is only one mistake away as CEO roles can be like a revolving door.

Founders of companies use their passion to grow their business while risking burning out or failing.... or if they succeed, not making the exit they had dreamed of in the beginning.

CEOs of publicly traded companies are under continuous scrutiny and have to juggle between the board and shareholders, the employees, and their customers and market. They may get targeted by media and there is a driving force for performance for those quarterly reports.

## Overall, being a CEO is not an easy role.

When the culture is a positive and energizing one, CEO's get better results and have higher profitability. They are more productive and are stronger leaders. They have a lot more

fun. They have higher levels of trust on their management teams and with employees. And they have the opportunity to really develop people in a meaningful way that makes a difference not only in the workplace, but at home and even into society.

The tone of the culture is often set by the CEO. It is their personality and the energy that they bring to the company that employees follow. CEOs who are proactive on culture seem to not only thrive themselves, but see their employees thrive, and the board and company owners are happy. When you have an engaged and joyful workplace, customers get better service and can feel the positive energy from their interactions. It creates a positive impact that ripples into the fabric of our society. It becomes a win for everyone!

**We are culture, it's our competitive edge, it is what makes us who we are!**

Anders Lentell, CEO, Dynabyte



# WHAT IT TAKES TO BE A GREAT LEADER IN 2020 AND BEYOND

On a final note for this report, we did get into some side discussions about how the role of the CEO has changed in the last several years and what it takes to be a great leader these days. Here are some of the insights we gained.

The skills needed for CEOs have changed in the last decade. A CEO needs to be a better leader. It used to be ok to be a good manager and addressing the KPI's and processes and they could let the middle managers handle the rest.

However, today CEOs have to be more engaged in the operation and what actually creates success. Most businesses are exposed to potential disruption in their business because things are changing faster. People and their contributions to the company are becoming more important so as a CEO you need to be more involved and tie the behavior and results to what is happening in the market.

You have to be more agile as a leader. And it's important to respect people and country cultural differences as companies grow their international operations.

The Board of Directors need to be more engaged as well. The understanding how the surrounding world will impact and what kind of change is needed in the company needs to be dealt with earlier. CEOs need to be proactive on potential changes, risks, and challenges that might arise.

They need to understand more of the business, rather than generic skill sets and also have a higher readiness to interact and contribute with the company with all the changing dynamics. For some industries such as hi-tech, IT or software-based businesses, the challenges may appear more quickly. Clearly time and changes seem to be impacting all industries. There are huge technology changes coming that we might not even fathom today so it's vital to build a business that can not only respond to change, but to also be ahead of the curve.

Some of the skills needed to be a successful CEO in 2020 and beyond include:

- Be much more available and seen.
- Be inspiring, authentic, and caring.
- Understand the impact of communication especially with social media where they are more visible.
- The world is changing more rapidly, making people feel more insecure. It's a basic human need to feel safe—a good workplace culture can give that!
- Employees are more demanding and aren't willing to settle.
- People are seeking purpose driven companies, so find the purpose and communicate it consistently.
- Be transparent so that everyone feels a part of the journey.
- Employees require two-way communication.
- Prioritize culture and develop your people.
- Be a trustworthy leader and trust your people.



All of these attributes and skills are already on top of the business acumen, financial skills, and strategic business building mindset that got the CEO into their role in the first place. Of course, building a strong team with people who can support the journey to creating an amazing company, is the best path to success.

We want to thank all the CEOs who took the time to share their thoughts and insights. This report contains the words and wisdom of hundreds of years of leadership experience!

If you enjoyed these insights and want more, you'll enjoy the free lively conversations on [The Amazing Leader Series](#) where we are sharing the video interviews of incredible leaders that inspire and show us how it is possible to create an amazing culture that all stakeholders love.

At Evoloshen, we offer a [90 Day Engagement Accelerator](#) that can help you actively work on your culture, develop your people, and put systems in place so that your culture thrives long term, bringing you the productivity and profits of a high performance company.

If you would like support on your cultural transformation journey, please reach out to us at [Support@Evoloshen.com](mailto:Support@Evoloshen.com). Our purpose is bringing joy to the workplace and we empower companies through the development of their culture and their people on engagement, purpose and trust

We'd be happy to discuss if we could be the right partner to support your vision of creating an amazing company that is having a big positive impact. Until then....keep on leading the change the world is waiting for and needs now!

**BE THE LEADER THAT TRULY BUILDS AN  
INSPIRING ORGANIZATION!**



*"Our team members are precious people that we have the privilege to lead."*

- Bob Chapman, CEO Barry Wehmiller

*"You can't improve culture and leadership or make it a real competitive advantage without committing real resources to them."*

- Jason Lippert, CEO LCI Industries

*"Culture is everything for us. We need it to attract talent, that in turn attracts clients. When I started here this was definitely not my understanding – but as years have passed by (9 years into the leadership role here now) – it has become very clear to me that our culture is everything. If I would start a company from scratch – I would consider starting with the culture – then figuring out what to do."*

- Johan Nordenström, Managing Director, Kaplan / a part of Accenture Interactive



- i <https://hbr.org/2016/10/13-signs-that-someone-is-about-to-quit-according-to-research>
- ii <https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans>
- iii <https://hbr.org/2018/11/9-out-of-10-people-are-willing-to-earn-less-money-to-do-more-meaningful-work>
- iv [https://www.ey.com/Publication/vwLUAssets/ey-pdf-is-your-board-yet-to-realise-the-true-value-of-culture/\\$FILE/ey-is-your-board-yet-to-realise-the-true-value-of-culture.pdf](https://www.ey.com/Publication/vwLUAssets/ey-pdf-is-your-board-yet-to-realise-the-true-value-of-culture/$FILE/ey-is-your-board-yet-to-realise-the-true-value-of-culture.pdf)

*“Investors are paying more attention to culture as a value enhancing asset in building company value over time. There is a greater awareness among leadership of the value and importance of a positive culture in organizations.”*

- Garry Ridge, CEO The WD-40 Company

*“For me as the CEO, [culture] is everything! I start with the foundation with the values and leadership style, that is how to build a long-term structure. The culture is what will live after me.”*

- Gerhard Bely, CEO, O.Kalvi

*“Company culture has a significant impact on business success. For example; a compelling company culture attracts top talent, helps retain existing employees, engages and motivates employees and supports a positive brand image. Which in the long run will be reflected in more satisfied and loyal customers.”*

- Haval van Drumpf, CEO, Tre

