

How Culture Keeps Companies Competitive

Speakers:

Susan Robinson, EY

Pat Wadors, ServiceNow

Troy Fenner, Roku

Moderator:

Gina Hadley, The Second Shift

(Transcription by [RA Fisher Ink](#))

Hadley: My name is Gina Hadley and I'm a co-founder of a company called The Second Shift. And I am so happy that we are going after Emily so we don't have to talk about what's wrong with culture and companies. We can just dig in to how culture can be a tool for retention. And I have an incredible panel with me.

Troy Fenner, who is the senior VP of human resources for Roku, Pat Wadors, who is the chief talent officer at ServiceNow, and Susan Robinson, who is partner for culture and inclusiveness at EY. So we're just going to jump right in. One of the things we talked about when we had our calls is culture is a very big word. What does it mean? What does culture mean at ServiceNow?

Wadors: Culture is essentially what every employee experiences every day when they go to work. All those mini experiences create your culture.

Hadley: Susan, for you?

Robinson: My view on it would be exactly the same. And we get a lucky perspective of looking at our own culture, and we're a global firm of just under 300,000 employees so that's a whole other story in there in terms of culture. But even the clients that we get to work with, so really getting a sense of how varied culture can be as well, and so it's a very topical thing for technology as well, which we'll dive into a bit more.

Hadley: Troy?

Fenner: We think of culture like DNA. How do we talk with each other? How do we make decisions? How do we interact with each other? Obviously, it's more than a slogan or a t-shirt or a poster that we throw up on walls in conference rooms but it's truly, how do we launch products, how do we hire people, how do we treat people, how do decisions get made? That's how we think about culture at Roku.

Hadley: One of the things that, Susan, you brought up is you are a global, worldwide company with a huge employee base. How do you disseminate this culture message, especially across different regions?

Robinson: Yeah, so I have a bit of a bias because I've been a partner for a while at the firm and have great respect for the culture that's been cultivated there. I also get to play in the culture space with clients and if I can be objective credibly with EY, I actually think we have a very, very strong organizational culture, particularly for a consulting firm and an audit firm.

And you know, we are heavily matrixed and on the one hand that allows us to have a great variability in our reach in terms of who manages people, who's on different teams, and all that sort of stuff. But that could go sideways as well, as a result of being so heavily matrixed, and give the firm a lot of credit for being very deliberate and careful in setting the tone around key things—very much like we're talking about today, around inclusivity and the balance of diversity in our organization. We're not perfect by any means, but there is very, very strong strategic intent on how our culture is defined, managed, measured, and it shows up in terms of what our experience is.

And the last thing I'll say is, and I'll stop after that, is millennials, at least 70 percent of our work force are millennials. And I believe we are obliged to figure out how do you make that culture as inclusive as possible so that you can harness as much of that energy and innovation and talent as possible.

Hadley: And when we had spoken, the one thing I wanted to make sure that we got to is the word 'belonging,' which is part of the EY culture. How does that manifest itself across the company? You guys have some great tools that you use.

Robinson: Yeah, there's some very interesting efforts, particularly recently, around the theme of belonging in our workforce. And culture is very varied. Because we're global, you want to respect national cultures as well and that's all part of the fabric. What we've launched recently are a few videos with the title of "Belonging." And one of them focuses on, I think it's a manager who is a new father, and we've extended our paternity leave benefits so he is able to spend some more time with his young daughter and his family. And the whole story is about being enabled to do that helps him be a better person at work. So it's taking a broader view of real life things that hit us and how does that show up in terms of how we allow people, or enable people to find some balance.

The second one that we've released is about a young senior consultant who is multiracial and she tells her story very personally around never feeling black enough, never feeling Latino enough for different communities and just her own personal experience and then what that's felt like for her as she's settled into the firm. It's really, it's authentic. I think that's one thing that's very important about it. And it's relatable, and it's so important to make sure that we are telling those stories more and more because kids are watching that stuff. We're watching that stuff and it's influencing how we treat everybody.

Hadley: Yeah. One of the things that we had said we wanted to get out of this panel was to be able to—examples of deployable tools. And one of the things, Troy, that we had talked about is the way that you, at Roku, and the senior teams come up with policy and your policy documents, which I thought was an amazing way of getting some collaboration involved.

Fenner: Sure. One of the things at Roku that we really value as part of our culture is transparency and collaboration. That's really the essence of how we get things done. And typical, when you're a lot of time with your companies and you're writing policies or culture docs, it seems like it's a group of HR people and then you roll it through the senior leadership team and then one day it shows up on all the cafeteria tables. And that's not how we do it at Roku. One of the things that we use, we use a lot of—Slack and Confluence are two tools that we use. Confluence is a great collaboration tool. It really was driven through engineering of how they could collaborate on projects.

And one of the things that we do that most recently, Anthony Wood, our CEO, and the senior leadership team, we were working on, we have culture docs of what we think the culture is at Roku, but there's a special one that we've written of what we think a VP should be at Roku. And we started working on that document and Anthony quickly posted that onto Confluence so that the whole entire company can see what are the qualities, what are the competencies, what do we think makes a great leader. One, to help people, because everyone probably always comes to the HR people and go, "I want to be a VP someday," and I'm like, "Why?"

[LAUGHTER]

But it's a great tool where everybody in the company was allowed to contribute and comment and it forced a lot of dialogue going back and forth between—you know, I wasn't just coming off the mountains with ten commandments. It was a much more collaborative process and people understood and we understood and learned too what people are looking for out of leadership in that process.

Hadley: One of the things that you had said to me also is that collaboration does not necessarily mean consensus, but that's okay.

Fenner: Absolutely. The HR guy here would love to tell you that consensus happens all the time, and it's rarely achieved. We're all super smart. We have different ideas. And you don't have to agree, but when people feel like there's collaboration that, one, it definitely helps them from a buy-in standpoint but really reinforces the trust part of your culture, that everyone has a voice and we listen to that.

Hadley: Going back to the idea that culture is this day-to-day experience that employees have with the company, Pat, when we spoke you talked to me about the three legs of the value proposition for employees that I thought was so pragmatic and something that we should share with everybody here.

Wadors: So essentially, when you're thinking about creating an amazing employee experience, where you're trying to create that culture of belonging where people can be their authentic self, they know that you care about them, that they matter, and they can do their best work in your company, what you need to think about that employee experience is basically three components. Think of the top component being culture. It's your employee value proposition, your policies, your practices. It's how you aspire to treat your employees, management training, et cetera.

The second leg of that stool are your systems and tools. It's the tools that you give your employees to manifest their work to get insights, to help them be a better them, help facilitate training, and capture the insights that you need to run your business. And that third element is the work environment in which they work. And that work environment is both the digital workspace as well as the physical because there's so many remote workers. We are global, and how do you pull in both the system, the technology, but to create a virtual experience that feels like I am part of this company, that you're hearing my voice, that I can speak up.

Hadley: And all of three of you had mentioned how important it was to also disseminate your culture story with your customers as well. Troy, I was wondering if you could talk a little bit about what we talked about in terms of when outside culture and what's going on in the mainstream is at odds sometimes with your company mission.

Fenner: Yeah. One thing about Roku, we have a great amount of content on our platform and it's one of the things that we're very proud of, being able to give our customers the ability to watch what they want to watch when they want to watch it at their economic terms. And so we have over 5,000 channels on our platform and some of those channels—we always take a very neutral stance on there, but there's an NRA channel. There's progressive channels. There's all sorts of different views on there. And we will have people come and return their Roku boxes or they'll send me the nasty letter or anybody that'll listen to saying, "Look, you're profiting off the NRA," or "You're profiting off the Democratic Party or Republican"—whoever.

And that becomes very controversial, where people want you to take that channel down. Or your employees will start sending you emails going, "Is it true that you're making money off this content and that doesn't fit with my value set." And that's a very challenging thing for a company. Anytime you get into content, there is this element of censorship and taking channels down, we have set policies for why we would remove a channel. And we do remove channels, but we also have this, if it's not violating that policy, we're not going to remove that channel and we don't profit off that channel.

But we have to be very clear to be this is our policy, these are our standards, and these are our values of our company. And sometimes that's not always in line with people's individual beliefs, but the only way you get through that as a company is by having very strong cultural values that are core to how you run the company, how do you talk to people. And people will send those emails directly to Anthony, or to myself, or to anybody in the company and we will

address it as a whole company of why we believe this. It's very close to modern age book burning so we're not going to go down that path.

Hadley: So even if it's in vogue right now to shut off something that you don't want to hear if it makes you uncomfortable, it's not—I can imagine it happens at everybody's—

Fenner: Yeah, the day values and cores become no longer fashionable, then we've got a lot of big problems in this business. So we'll stand by ours.

Hadley: So I think in practice, company culture many times comes from up high and there's missions that are set. How do stakeholders, because much of—the saying is “You don't quit your job; you quit your manager.” So how do you disseminate this message down through the layers so that—because every once in a while, you may hit somebody for whom this is not part of their day-to-day mantra and the culture is at odds with what they are told that is part of what they are supposed to achieve.

Wadors: Gosh, that's like the magic sauce, right?

Hadley: Right. But you'll solve it. We've got two minutes.

Wadors: We can solve it. I think it's like, set the tone first and then reinforce that tone along the way every day. I mean like I said, the culture is how the employees experience you every day. And so how you onboard talent, how you court talent, what was your promise that you offered and then are you delivering on that promise? Catch yourself. If you're not congruent. then you're not going to be as trusted. Then your culture is impacted whether you see it or not. And then manager training over and over again. I say repeat, rinse, repeat. It's like these are the values, this is the behaviors, this is what we're accountable for and if people don't subscribe to those behaviors and those practices, there's got to be a consequence. Either retrain them again or they leave. People look up and say, you know, who's leading and how are we leading and how are we going to maintain that trust. So you've just got to thread it throughout your DNA.

Hadley: Do you think that at EY as well, you have such a diverse and disparate workforce all over the world, do you feel that that's the way that you're approaching this as well?

Robinson: Yes, I think culture is one of these esoteric topics that everyone generally has a perspective on. We feel it, we live it, we breathe it as we work in our companies or we shift to another organization, whatever the case may be. What I think is most interesting about it is that there's such an overwhelming amount of organizations that take a passive approach to culture. And I think it needs to be deliberate, as deliberate as your financial plan, as your process and enabling growth plans. You need to also pay close attention to culture and there are very pragmatic ways in which you can do that. And to your question, I think it's a multipronged approach. And I completely agree with everything you said.

I think organizational characteristics are a big part of it. What's the infrastructure in the organization to help bolster and tactically manage or support the culture vision? Talent strategies are a big part of it. Leadership development, and that can be at the top, but also people leaders and so on. I think metrics are really important. So figure out what our—the traditional metrics around culture or inclusiveness or diversity or whatever you want to call it, they're good. They do good things, but it's not really moving the needle in a way that it should, in my opinion.

So what's that about? And we spend a lot of time trying to pry that back to understand how do we fix that, continue to fix that for ourselves, and how do we then help our clients with that as well. So it's big and broad and complex, but if you can—you know, boiling the ocean is a lot, but if you can take a cup every now and then, you can fix it. I think it's going to be a differentiator in the market, particularly with all these forces of technology, generational shifts, all that stuff. I think those that pay close attention to their culture will be the differentiators in the longer run.

Wadors: I agree.

Hadley: I want to thank you guys so much. I can't believe we're already out of time. But I hope you were able to take something back to your organizations because these are three big thinkers and I think that you have a lot of pragmatic—and I feel very optimistic talking to all three of you, which is not the case all the time. So thank you so much everybody.

[APPLAUSE]