

NACD Carolinas Chapter Program Summary

NACD members and guests gathered at the Grant Thornton Crown Club at the Spectrum Arena in Charlotte this week for networking and a program on corporate culture. Independent Director, NACD Board Member, and NACD Blue Ribbon Commissioner Sue Cole began the program with an overview of key points found in *The Report of the NACD Blue Ribbon Commission on Culture as a Corporate Asset*. She explained that the report was developed at a time when several high-profile companies were experiencing crises as a result of failed corporate cultures. NACD gathered nationally renowned directors and experts to discuss how boards can elevate the discussion of culture—or how the company’s values are lived out—as a key part of the board’s oversight role. Specifically, Ms. Cole explained:

- Culture is a core corporate asset.
- Boards need to achieve a level of discipline in culture oversight similar to that of their oversight of risk management.
- Boards should fold culture into existing structures (i.e., no new committees needed).
- Boards should use practical tools such as employee surveys, hotline complaints, turnover rates, etc., to routinely gauge culture in the organization.
- Directors should use every opportunity to get out of the boardroom and assess the company’s culture personally.

Grant Thornton CEO Mike McGuire then shared the story of his organization’s culture journey. Before taking the post of CEO, he unsuccessfully pitched a culture program to the consultancy’s board; however, the third time was the charm, and Grant Thornton retained outside experts to evaluate and help evolve the organization’s corporate culture. The goal was to unite professionals who often identified more with their former employers than with Grant Thornton, often referring to themselves as “legacy XYZ firm” rather than as Grant Thornton employees.

Training started with leadership and then spread throughout the organization, using a “train the trainer” model. Grant Thornton designed its ideal culture profile and defined its core principles with the help of the outside experts. Then they developed an internal values document to support the desired culture, which outlined behaviors that align with their aspirational culture and empowered each employee to own their “20-square feet” of Grant Thornton’s culture by taking the following steps:

- Discover what is important to others and make it important to you.
- Relentlessly focus on improving the way we do business.
- Own your action; be aware of your impact.
- Encourage, inspire, and motivate each other.

This shared framework allowed the organization to coalesce around the value set, use the principles to work better in teams, and safely provide feedback up, down, and across organizational levels. Younger employees embraced the new culture, even holding their own culture meetings. Tough decisions had to be made to foster the new culture at the firm. Some employees and partners who did not fit the expressed culture ultimately left the firm, as did some clients. Hiring to the desired culture became an important business objective.



As a result of this cultural transformation, employee retention soared, job offer acceptances steeply increased, and employee survey scores improved. According to Mr. McGuire, some senior partners who were initially skeptical of the focus on culture eventually became strong converts, shed tears in private conversations and asked to become culture facilitators. He was told that for some, even relationships with spouses and families improved. Finally, and importantly, revenue and earnings grew to record levels and awards ensued, applauding Grant Thornton as a great place to work.

Mr. McGuire stressed that culture is a “journey without end” and needs continuous care and feeding. Ms. Cole agreed, stating that boards should routinely assess culture in executive session and should be certain that cultural integration is possible before approving any merger. For her boards, each board meeting begins with a culture moment. The board, Ms. Cole stressed, must also live out the cultural values of the organization.