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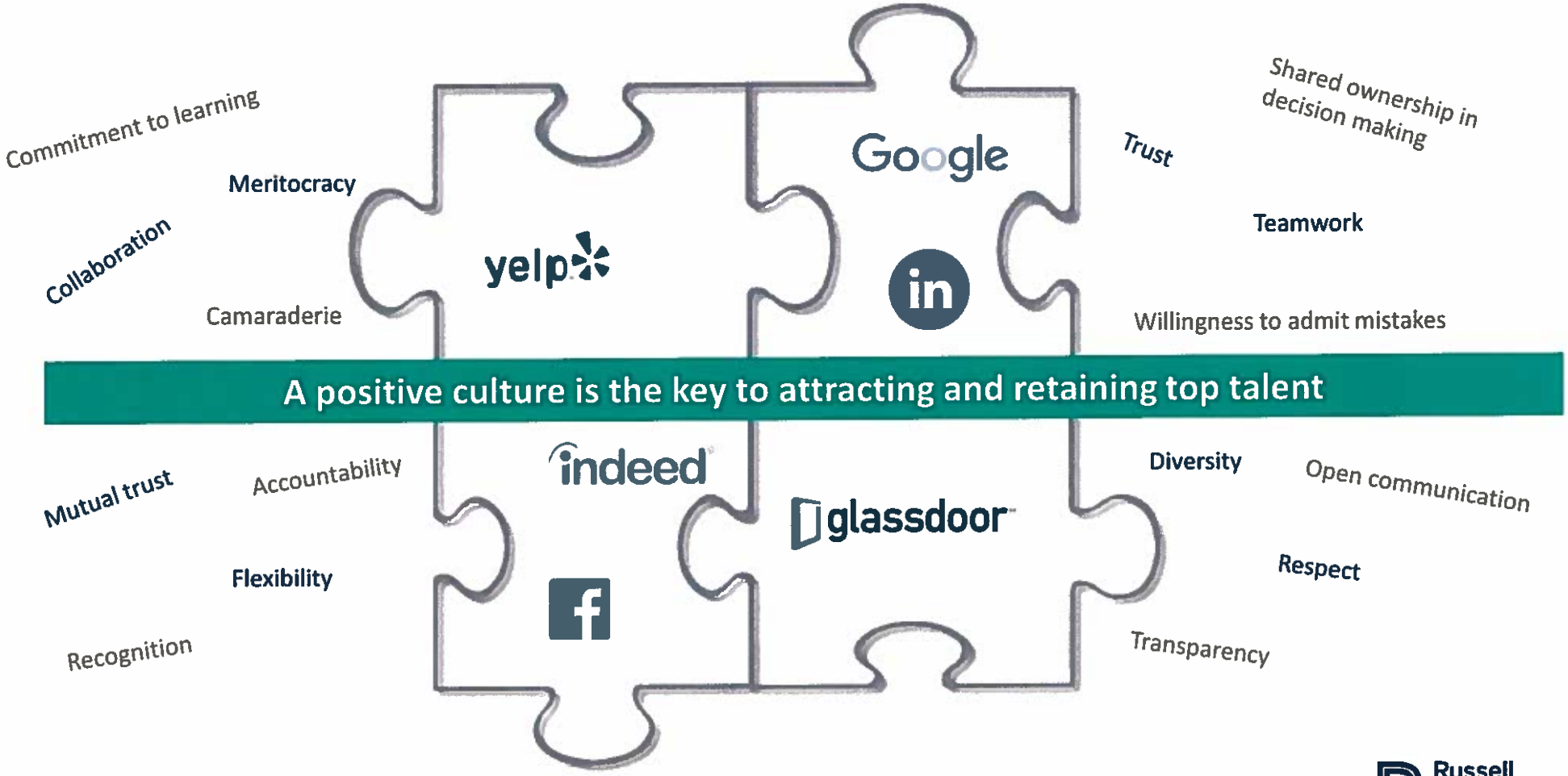
Our Approach to Culture Advisory

Private and Confidential

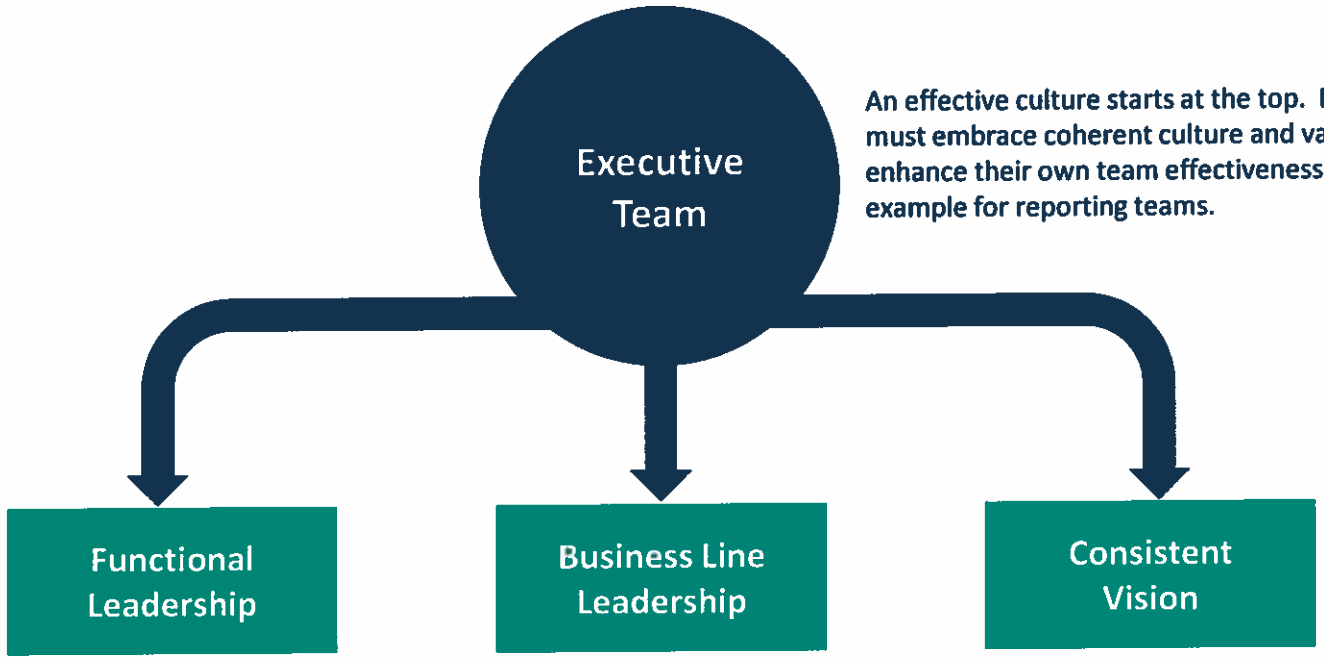
The crisis of engagement and retention

In the age of increased transparency and accessibility of information, jobseekers and employees are more empowered than ever before to question not only what an organization does, but more so, how it does it.



How leadership teams leverage culture to optimize results

Culture directly impacts an organization's ability to reach its strategic goals:



An effective culture starts at the top. Executives must embrace coherent culture and values to both enhance their own team effectiveness and lead by example for reporting teams.

Best-in-class operational practices succeed when functional leadership works together, driven by a culture of transparency and high quality standards.

Top-line growth depends upon synchronized market strategies. A culture that aligns to evolving, industry-specific constituent demands empowers business line leaders to optimize results.

Consistent vision between the C-Suite and more junior leaders permeates through the organization – ensuring that all parties pursue the same strategy.

We translate broad culture characteristics into specific components that can be shaped to support and accelerate results

Culture Advisory

	Corporate strategy alignment	Compatibility analysis between organizations and with individuals	Gap analysis	Framework for the future
	Expertise in how to shape cultural dimensions to support business strategies	**Understanding of where and how change needs to occur**	**Measures how much change is needed and in what specific areas**	**Includes quantifiable dimensions of the desired culture**
BENEFITS	Future cultures that promote the right behaviors given strategic goals	Rapid and targeted change initiatives that will impact the areas that matter most. Identification of which individuals will best fit with the desired culture and potential challenges	Detailed knowledge of differences between historical cultures and desired future culture to create targeted plans that enable long-term change	Provides common understanding of desired future state and ability to measure progress

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Culture Analyst™

Our research-based approach to culture measurement

Our Culture Analyst™ measurement tool provides a model, method and a language for objectively evaluating culture across 5 macro areas and 28 micro factors

Discipline

The rigor involved in day-to-day functioning:

- Rules orientation
- Timeliness/ promptness
- Emphasis on integrity
- Detail/thoroughness
- Awareness of limitations
- Development/training orientation

Openness

Openness to people, thoughts, ideas and alternative methods:

- Flexibility re: personalities and thinking
- Alternative work schedules and format
- Interest in true debate
- Diversity/multicultural orientation
- Transparency
- Non-elitist environment
- Involvement/matrix orientation

Strategic Growth Orientation

Orientation toward strategic growth:

- Innovation
- Emphasis on top-line growth
- Emphasis on long-term planning
- Constituent/client orientation
- Global orientation
- Emphasis on intellect

Performance Orientation

The emphasis placed on results, quality and high performance:

- Emphasis on results
- Urgency/speed
- Emphasis on expertise
- Working hard/long hours

Relationships

Interpersonal issues:

- Teamwork/ collaboration
- Level of personal nature in communication
- Enthusiasm/ motivating others
- Outside of work employee friendship
- Interpersonal respect

Inclusion Index

Inclusion

- Working Across Differences
- Leveraging Different Perspectives
- Fair Treatment
- Influence in Decision-Making
- Accommodating Differences
- Leadership Commitment
- Employee Development / Retention

Belonging

The process also measures ***Culture Strength*** — The extent to which employees understand the culture

Culture Analyst™: overview

SAMPLE SCREENSHOT

19%

First, rate how accurately the statement describes the current organizational culture. Second, rate how accurately the statement describes what you want the organizational culture to be in the future.

Reasons for actions taken by management are openly communicated to individuals at all levels.

	Very Inaccurate	Inaccurate	Neither Accurate nor Inaccurate	Accurate	Very Accurate	Do Not Know	N/A
Current	○	○	○	○	○	○	○
Desired	○	○	○	○	○	○	○

There is a lot of trust among individuals.

	Very Inaccurate	Inaccurate	Neither Accurate nor Inaccurate	Accurate	Very Accurate	Do Not Know	N/A
Current	○	○	○	○	○	○	○
Desired	○	○	○	○	○	○	○

Online survey that takes approximately 30 minutes to complete

Key Characteristics

Multi-level insights

- Can compare organizational and demographic breakout groups (position level, job title, unit, tenure, region, to identify areas of cohesion or differences)
- Once a baseline measurement of the organization has been completed, can evaluate candidate fit to the current and/or desired culture

Progress and gap diagnostics

- Focuses on both current and desired culture
- When the Culture Analyst™ assessment is administered annually, this diagnosis can serve as a reference point for the progress of culture change initiatives.

Best practice data gathering approaches

- 5 level rating scale and strategically worded statements provide detailed culture picture
- Verbatim employee comments supplement quantitative data with robust culture descriptions and examples

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Culture Analyst™: process

- **Identify** the culture to be assessed — current, desired or both
- Identify the **participants** and the **appropriate demographic variables** to be tracked (e.g., roles, management levels, business unit, office location, tenure)
- **Communicate** with participants about why and how the cultural assessment will be conducted

- **Distribute** the online survey to appropriate participants
  - Brief, online, user-friendly questionnaire; approximately 30 minutes to complete
  - Survey remains online for 2 - 3 weeks for all required respondents to participate
  - Final diagnostic report available within 2 weeks of survey completion
- **Conduct** interviews with selected groups of participants to gain additional insight about the culture
- **If appropriate**, conduct **follow-up interviews** and **focus group sessions** to provide further understanding about cultural issues

- Review **findings, implications and possible next steps** with the organization's senior management and board
- **Define** and support **cultural change initiatives**
- Establish **milestones** to make the cultural initiative visible and tangible for each individual
- Review **progress** towards the development of the joint culture

Alignment of individuals to the current or desired culture can be **assessed** in a subsequent culture preferences survey

Overcoming resistance to culture change

1. Resistance to change will occur – communicating the culture change process is a critical tool in helping to overcome resistance and generate commitment
2. Explain why culture change is necessary – this communicates both caring and esteem to those involved in the culture change process
3. Be sure not to criticize the current or past state – criticism of the past diminishes commitment because it is interpreted as criticism of organization members' previous best efforts
4. Instead, hold a "funeral" – celebrate the best of the past but outline a future in which certain parts of the past will not be carried forward
5. Build coalitions of supporters among key opinion leaders
6. Involve individuals most affected by the changes
7. Empower individuals to implement aspects of the change process

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Sample reports

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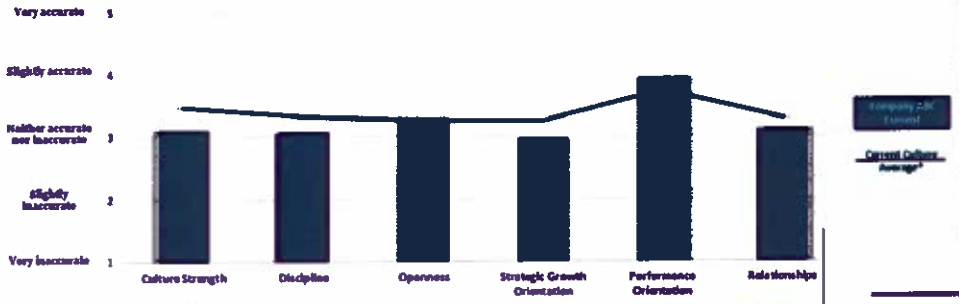
Sample culture report – overview

Company ABC Current Culture Details

Macro-level analysis of the current reported culture at Company ABC



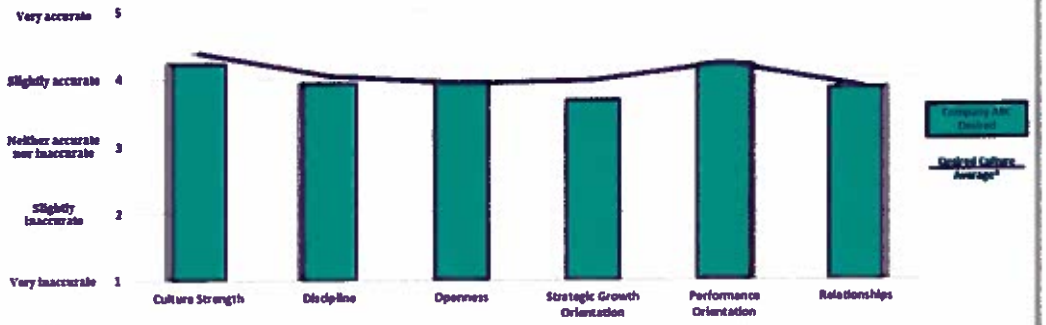
* "Current Culture Average" represents an average of macro-level results taken from roughly 170 organizations, spanning several ind

Discipline	Openness	Strategic Growth Orientation	Performance	Relati
• Emphasis on Integrity (3.54) • Detail / Thoroughness (3.63)	• Diversity / Multicultural Orientation (3.61) • Non-Elitist Environment (3.78)	• Customer / Client Orientation (3.70) • Emphasis on Intellect (3.63)	• Emphasis on Results (3.82) • Emphasis on Expertise (3.82) • Urgency / Speed (4.21) • Working Hard / Long Hours (3.83)	• Outside of wo Friendship (3.

* The current score of these culture factors exceed one half-standard-deviation above the mean of all current scores

Company ABC Desired Culture Details

Macro-level analysis of the reported desired culture for Company ABC



* "Desired Culture Average" represents an average of macro-level results taken from roughly 170 organizations, spanning several industries

Discipline	Openness	Strategic Growth Orientation	Performance	Relationships
• Emphasis on Integrity (4.38) • Awareness of Limitations (4.11)	• Diversity / Multicultural Orientation (4.23) • Non-Elitist Environment (4.11) • Transparency (4.27)	• Innovation (4.12) • Customer / Client Orientation (4.27)	• Emphasis on Results (4.21) • Emphasis on Expertise (4.47) • Urgency / Speed (4.21)	• Teamwork / Collaboration (4.42) • Enthusiasm / Motivating Others (4.21)

* The desired score of these culture factors exceed one half-standard-deviation above the mean of all desired scores

Sample culture report – macro factor summary

The ORG culture

Macro-level analysis of the current and desired reported culture at ORG

- Participants believe the ORG culture is strong and is largely defined by discipline, performance, and relationships
- Openness and strategic growth are perceived as less defining of the current culture, and the emphasis on strategy is slightly below the RRA Culture Analyst database average
- ORG's aspirational culture is similar to its current culture patterns; the desired culture is strong, with an emphasis on discipline, performance, and relationships
- Participants indicate a more moderate desire for certain aspects of the culture in regards to performance, openness, and strategic growth when compared to the RRA Culture Analyst database

** "Culture Average" represents an average of macro-level results taken from roughly 180 organizations, spanning several industries*

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Culture Analyst Implications

Findings from both the Culture Analyst reveal a number of themes

- The ORG culture is based on strong relationships both internally and externally with customers; maintaining a focus on valuing employees and fostering positive relationships within the organization is important
- With regard to an aspirational culture, ORG wants to leverage these existing strengths and continue to emphasize a strong relationship-focused culture moving forward
- Additionally, there are opportunities to better meet the needs of customers in the long-term by increasing the focus on innovation, risk-taking, and better technologies
- Finding an efficient approach to these investments while maintaining the people-focused culture that exists today will be an important balance moving forward

	Discipline	Openness	Strategic Growth Orientation	Performance	Relationships
Current Culture	• Emphasis on Integrity (4.11) • Detail / Thoroughness (3.90)	• Diversity / Multicultural Orientation (3.82) • Non-Elitist Environment (3.90)	• Emphasis on Long-Term Planning (3.85) • Customer / Client Orientation (4.08)	• Emphasis on Results (3.96) • Working Hard / Long Hours (3.86)	• Teamwork / Collaboration (3.87) • Enthusiasm / Motivating Others (3.82)
Desired Culture*	• Emphasis on Integrity (4.38) • Detail / Thoroughness (4.27) • Development / Training Orientation (4.21)	• Diversity / Multicultural Orientation (4.17) • Non-Elitist Environment (4.16) • Transparency (4.22)	• Emphasis on Long-Term Planning (4.17) • Customer / Client Orientation (4.41) • Innovation (4.01)	• Emphasis on Results (4.23) • Emphasis on Expertise (4.15)	• Teamwork / Collaboration (4.42) • Enthusiasm / Motivating Others (4.19)

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Sample culture report – key themes

Company ABC — **Key Theme: Communication**

Communication

- Company ABC is moving at a rapid pace and driving towards aggressive growth goals; communication norms and standardized procedures are less developed given significant hiring as well as turnover, and individuals feel they do not have as much insight and information about the business as they would like.
- Individuals desire more top-down communication from leadership regarding strategy and mission.
  - *Consider reading:* The Open Organization: Igniting Passion and Performance by Jim Whitehurst
- Meetings would benefit from greater structure. It is acceptab task during meetings or arrive late given the constant flow of
- People defer to email given a desire for efficiency in commun in high email volume – which leads to people monitoring ema

	Item
Transparency	Strategy is communicated to individuals at all levels.
	Management is perceived as operating with secrecy.
	Most individuals can articulate the objectives of this organization.

	Item
Personal Choice in Communication	Individuals defer to quicker, written forms of communication (e.g., email, instant messaging) in place of phone calls or in-person conversations.

Company ABC — **Key Theme: Strategic Planning**

Strategic Planning

- Communication and planning between functions tends to be more "reactive" than "proactive." Individuals can feel the organization is a "slave to what is urgent" and readily changes the strategy based on sales opportunities.
- Individuals appreciate the resource-rich environment and want to continue to prioritize growth, but also want to be thoughtful regarding the bottom line.
- There is a "bias-to-action," which is valued yet feels unsustainable to some.
- People keep their heads down and focus on their own areas of responsibility; there could be greater attention given to how actions in one area could impact other areas.
  - *"An intense focus of working IN the business, versus working ON the business exists. A strong need for a well developed strategic planning process and the development of long term needs analyses, including senior management succession planning, is vital. Must be willing to embrace new entrants with solid "Big Company" experience, notwithstanding senior management's disdain for bureaucracy."*

	Item	Current	Desired
Emphasis on Long-term Planning	This organization has a planning process that focuses on the long term.	2.50	4.00
	This organization is more opportunistic than planning-oriented.	4.17	2.83

	Item	Current	Desired
Innovation	In general, new ways of doing things are often accepted or appreciated.	3.17	4.33
	Individuals are encouraged to generate new ideas.	2.80	4.50

	Item	Current	Desired
Emphasis on Top-Line Growth	Individuals are highly concerned with minimizing costs and expenses.	3.00	3.67
	This organization is more profit oriented than revenue oriented.	3.83	4.17
	This organization is aggressive when it comes to making new investments.	3.50	3.50
	The organization is more focused on creating best product/ service than on being lean.	3.83	4.33

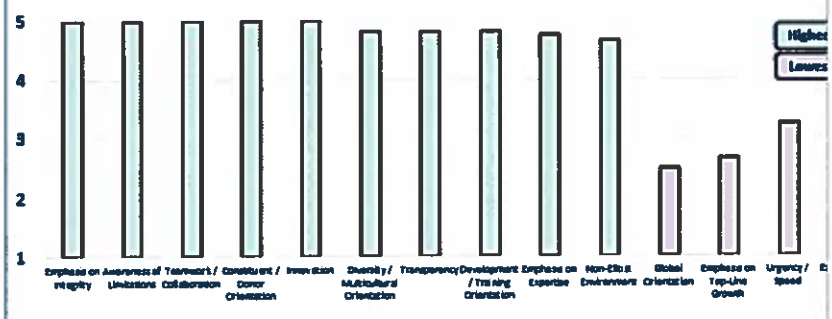
Sample culture report – culture fit of an individual

Candidate Culture Summary

[Candidate] [ORG]

Candidate Culture Summary

- Believes in an honest and open culture that can speak openly about its strengths and limitations
- People focused, with an emphasis on training/development and fostering collaboration through respect, personal communication, and enthusiasm
- Favors inclusivity through both an emphasis on diversity/multiculturalism and a non-elitist culture
- Likely to focus long-term on the constituents/donors/patrons through creative approaches



"Open-ended quote"

Culture Fit Comparison: Strategic Growth Orientation

[Candidate] [ORG]

Implications

- Largely aligned with the ORG's desires for long-term planning, innovation, and constituent-focus.
- Places strong emphasis on innovation and putting constituents / donors / patrons first; likely to drive the creative constituent-focused efforts that the ORG desires
- May have somewhat conflicting views with the ORG concerning less value on global orientation and employee intellect, which runs counter to the ORG's slight desire for more of these factors moving forward
- Consistent with the ORG both today and in the future, places less emphasis on top-line growth

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About Russell Reynolds Associates

About Russell Reynolds Associates

RIGHT TEAM FOR THE JOB

350 experienced consultants working together & supported by a global research team.

INSIGHTS FROM DOING THIS ALL DAY, EVERY DAY

More than **3,500** engagements annually allow us to see critical patterns and help you stay ahead of what's next.

NETWORK OF EXCEPTIONAL PEOPLE

An interconnected network of leaders who can drive the growth & success of your business

COLLECTIVE POWER OF ONE FIRM

46 offices in North & South America, Europe & Asia/Pacific.

WE ARE THE DIVERSITY LEADER

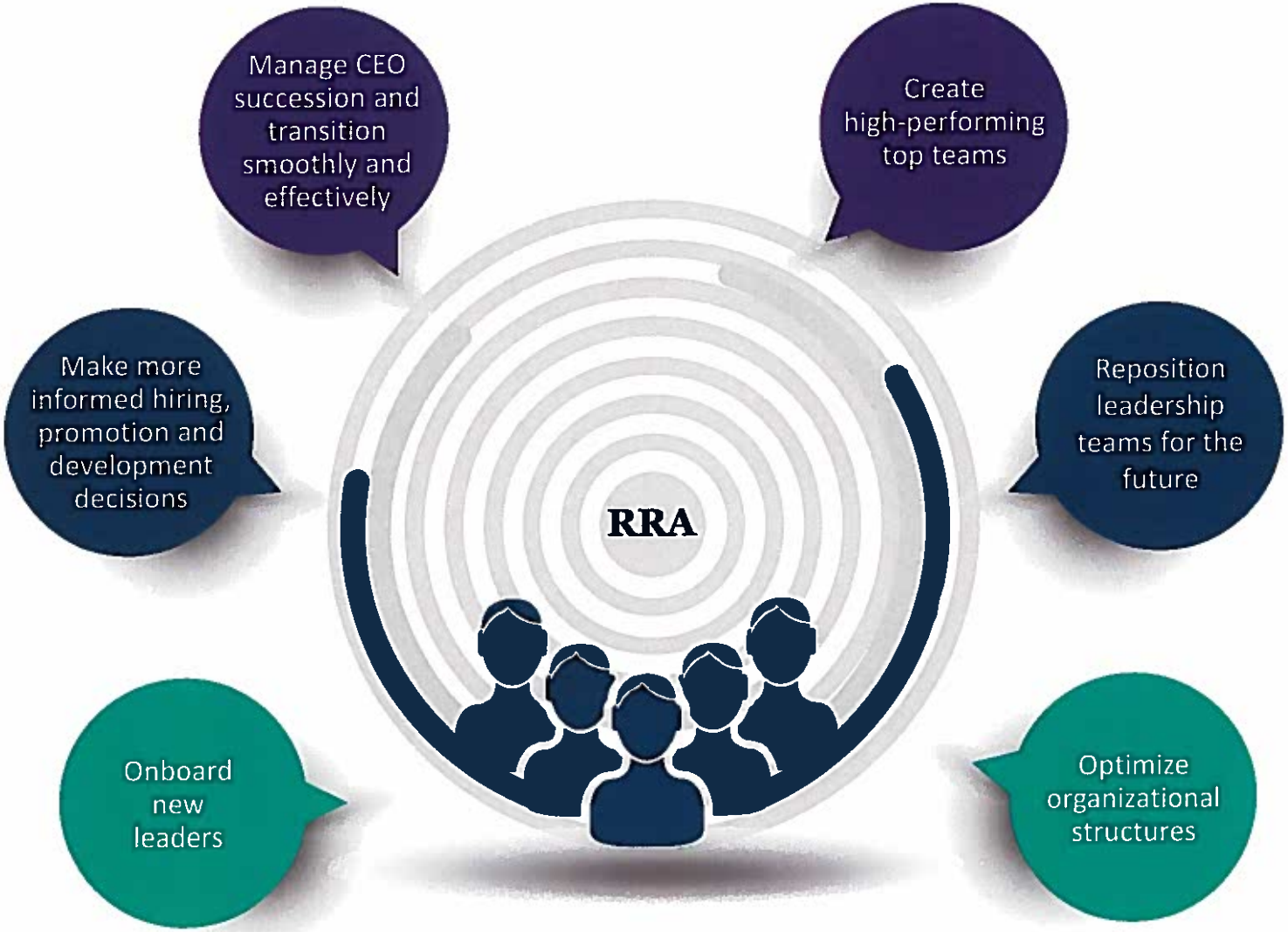
Proactive mapping of diverse talent and data-driven inclusion consulting

Our Expertise

Sector Expertise	Functional Expertise	Leadership Expertise
▪ Consumer ▪ Financial Services ▪ Healthcare ▪ Industrial / Natural ▪ Resources ▪ Nonprofit ▪ Private Equity ▪ Technology	▪ Board of Directors ▪ CEOs ▪ Digital Leadership ▪ Financial Officers ▪ HR Officers ▪ Information Officers ▪ Legal Officers ▪ Marketing and Communications Officers ▪ Risk Officers ▪ Supply Chain Officers	▪ Executive search ▪ Executive assessment ▪ Succession planning ▪ Leadership transformation ✓ Large cap ✓ Private equity ✓ M&A ▪ Culture advisory ▪ Diversity & inclusion consulting

How we help clients

RRA's Leadership and Succession Practice takes a holistic view of the client's organization to provide a roadmap for future success.



How we add value

Situations in which we specialize

- Market trends creating new strategic leadership requirements
- CEO and C-suite succession
- Transactions creating new organizational structures and leadership teams
- Team evaluations for newly appointed leaders

What we do

- **Predict leadership potential and the ability of executives to succeed in new roles**
- **Provide data-driven leadership analytics and insights**
- **Benchmark talent against 'best in class' in the market**
- **Identify leadership behaviors needed to drive future organizational requirements**
- **Measure fit between leadership profiles and organizational culture**

A new partnership to advance the science of executive assessment

Russell Reynolds Associates and Hogan Assessments Announce New Partnership to Advance the Science of Executive Assessment

Press Release

July 13, 2016

PRINT SHARE

NEW YORK-Russell Reynolds Associates, one of the world's leading executive search and leadership advisory firms, and Hogan Assessments, a global leader in personality assessment and leadership development, today announced a global, exclusive partnership designed to increase the success rate of executive appointments and accelerate the development of rising leaders.

The partnership combines Russell Reynolds' depth of expertise in advising senior executives and boards on executive search and succession with Hogan's market-leading suite of assessment instruments, data assets and scientific acumen.

A new, exclusive partnership with Hogan Assessments

Core objective

Increase the success rate of executive appointments and accelerate the development of rising leaders

Core (near-term) emphasis

Creation of a new assessment approach designed to predict executive performance in C-suite roles; new assessment slated for launch in Q4 2016

Logic of the partnership

Combine Russell Reynolds' depth of expertise in advising senior executives and boards on executive search and succession with Hogan's market-leading suite of assessment tools, data assets, and scientific acumen.

"We are excited to partner with Hogan – a true pioneer in the assessment field – to accelerate innovation and deploy new assessments that dramatically increase the success rates of executive selection and succession decisions."

--Clarke Murphy, CEO, Russell Reynolds Associates

"Our partnership with Russell Reynolds will allow us to combine robust data on millions of leaders around the world to create the best tools and solutions in the market. We are excited to join forces with a true leader in the field."

--Tomas Chamorro-Premuzic, CEO, Hogan Assessments

Preparing you for what's next, right now

Insight-seekers
Relationship-builders
Collaborators

We are Russell Reynolds Associates