

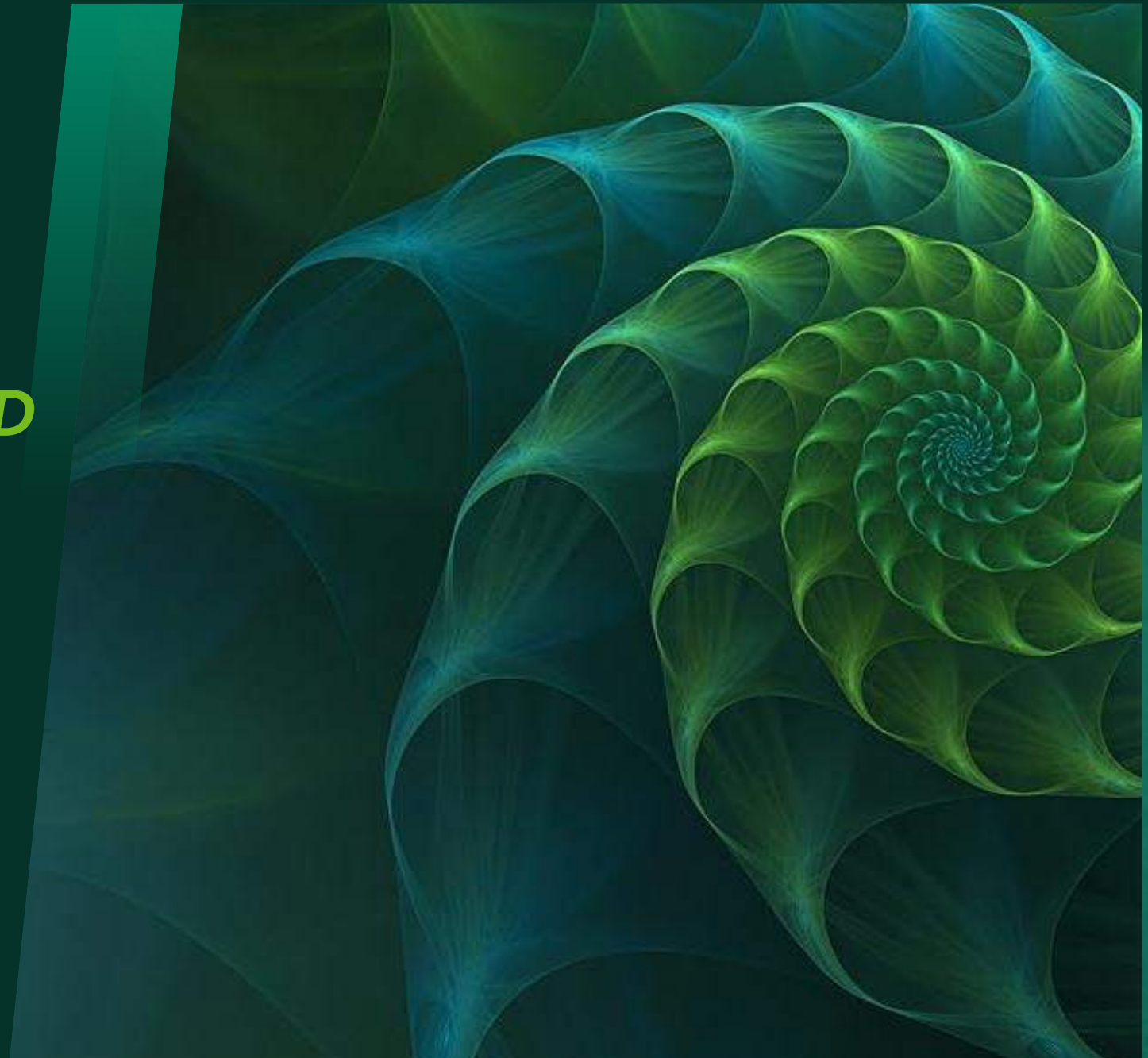


OFFICIAL TALENT & ORGANIZATIONAL
CONSULTING PARTNER

**“THE INVISIBLE HAND
OF THE BOARD...**

**CULTURE BY DESIGN,
NOT BY DEFAULT”**

29 APRIL 2026



MEETING WITH YOU TODAY...



Bill Randall



Graham Almond

LEAD FACILITATORS

Co-facilitated by:



**Wanida
Thuwachatpongsakorn**



**Chanida
Jitrungruangnij**

Let's break the ice!

**Before we start the session
We want to hear from you....**



SCAN ME:



Join at menti.com
key event code: 1201 6711

WHAT WE WILL BE COVERING TODAY...

01

INTRODUCTION TO THE BOARD'S IMPACT ON CULTURE 101 & THE BIG PICTURE

02

KORN FERRY BLUEPRINT & SCIENCE BEHIND THE CULTURE

03

THE CULTURE DIAGNOSTIC AND INSIGHTS TO WMAC

04

REAL WORLD LESSONS: BOARD'S INFLUENCE ON CULTURE DESIGN – M&A, GROWTH, AND DISRUPTION

05

THE BOARD "SELF-CHECK IN"

06

THE MASTERPLAN



01

INTRODUCTION TO BOARD'S IMPACT ON CULTURE & THE BIG PICTURE





HOW DO WE
CHANGE
BEHAVIOURS?

FROM GOVERNANCE TO EXECUTION : MASS

CULTURE TRANSFORMATION STARTS WITH INDIVIDUAL BEHAVIOURAL CHANGE

What prevailing **MINDSETS** are supporting, inhibiting or allowing the current & desired behaviour?

Does the **STRUCTURE** of our operating model and workplace design support the beliefs and behaviour we want?



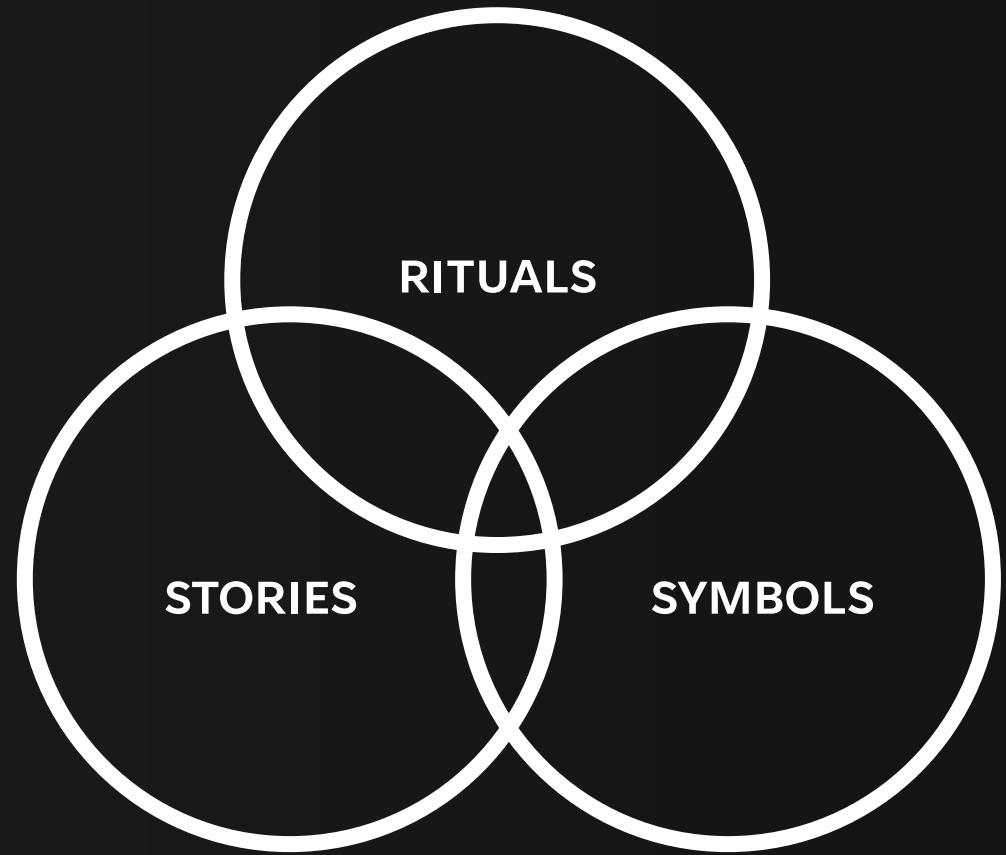
Do we have the right **ABILITY** to behave in the desired way?

Do our core work processes and human **SYSTEMS** support and enable the employees as they attempt to work in new ways?

Behaviour Change will be further accelerated by Rituals, Symbols & Stories.



LEVI STRAUSS



VALUES & BEHAVIOUR + ABILITIES



We strive to be Earth's most customer-centric company, Earth's best employer, and Earth's safest place to work.

BRINGING THE MASS MODEL TO LIFE WITH AWS

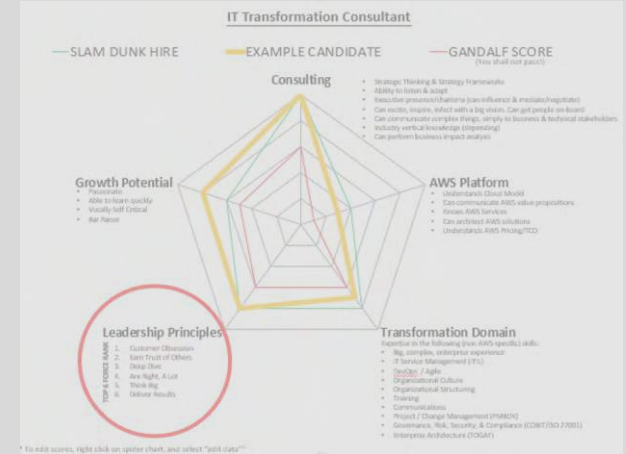
Amazon Leadership Principles:

- | | |
|------------------------------|------------------------------|
| 1. CUSTOMER OBSESSION | 9. BIAS FOR ACTION |
| 2. OWNERSHIP | 10. FRUGALITY |
| 3. INVENT AND SIMPLIFY | 11. EARN TRUST |
| 4. ARE RIGHT, A LOT | 12. DIVE DEEP |
| 5. LEARN AND BE CURIOUS | 13. HAVE BACKBONE AND COMMIT |
| 6. HIRE AND DEVELOP THE BEST | 14. DELIVER RESULTS |
| 7. INSIST ON HIGH STANDARDS | 15. BE EARTH'S BEST EMPLOYER |
| 8. THINK BIG | 16. BE SOCIALLY RESPONSIBLE |

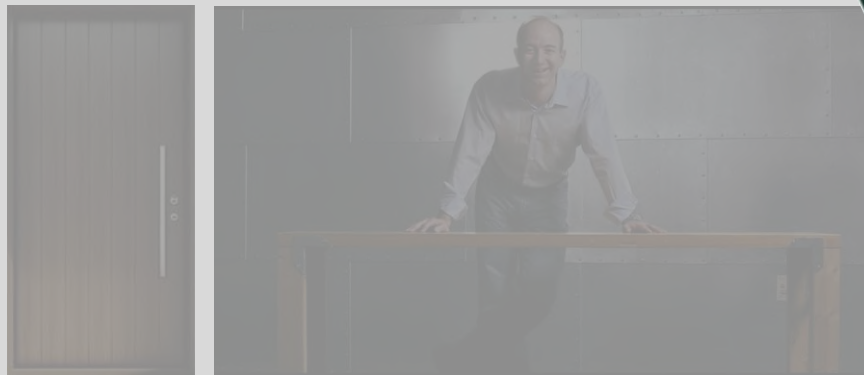


Making great hiring decisions

ABILITY



STORIES & SYMBOLS



RITUALS



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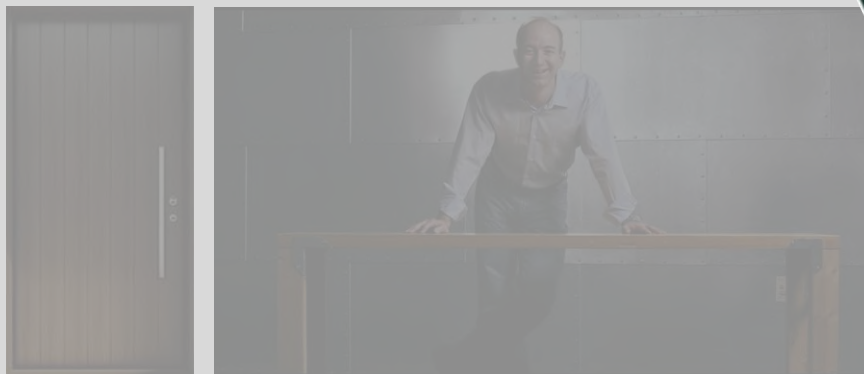


Making great hiring decisions

ABILITY



STORIES & SYMBOLS



RITUALS



BRINGING THE MASS MODEL TO LIFE WITH AWS

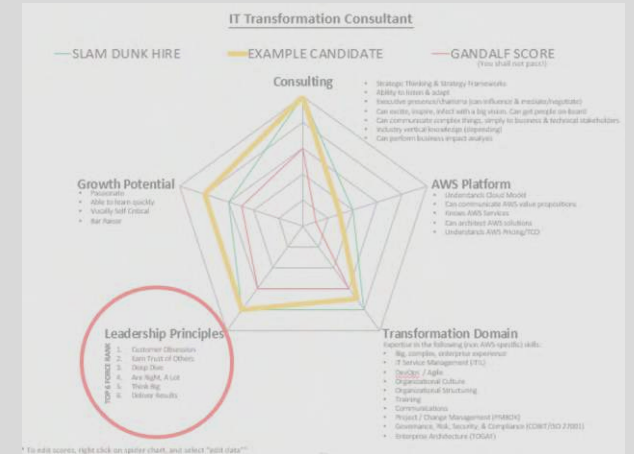
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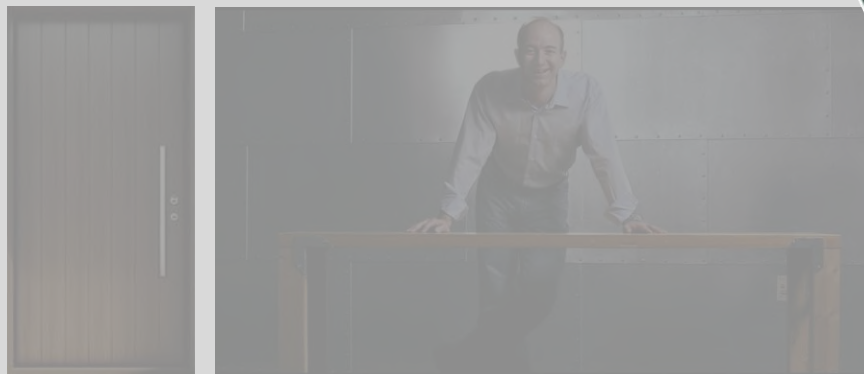


Making great hiring decisions

ABILITY



STORIES & SYMBOLS



RITUALS



BRINGING THE MASS MODEL TO LIFE WITH AWS

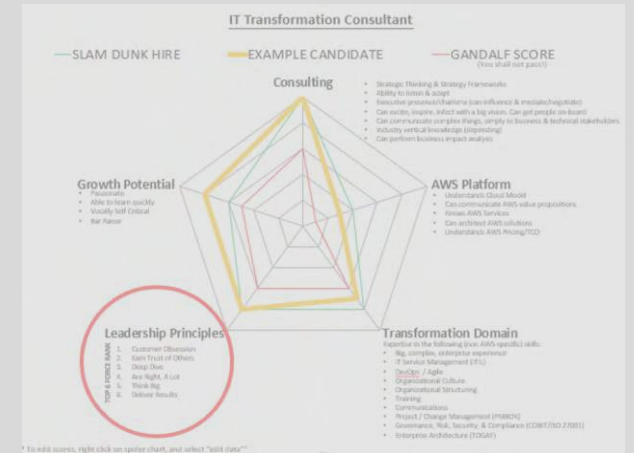
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Making great hiring decisions

ABILITY



STORIES & SYMBOLS



RITUALS



Most boards say:

“Culture is management’s job.”

Reality:

“Culture is the shadow of board decisions.”

“ You don’t manage culture—but you absolutely *design the conditions* that determine it.

Let’s pause and reflect:

“How many of you feel confident your board has a *clear, deliberate culture agenda?*”

“How many believe *culture shows up explicitly* in your board discussions *every meeting?*”

“The oversight of culture must be a key board responsibility, as it is inextricably linked with strategy, CEO selection, and risk oversight.” - NACD

What is **culture**....Really?

Culture is NOT...

- × Culture is **NOT** values posters or slogans
- × Culture is **NOT** a communication or branding
- × Culture is **NOT** owned by HR team alone
- × Culture is **NOT** separate from business performance
- × Culture is **NOT** what leaders say
- × Culture is **NOT** abstract or intangible

...What Culture really is

- ✓ Culture **IS** patterned behavior at scale
- ✓ Culture **IS** shaped by leadership and governance choices
- ✓ Culture **IS** embedded in systems and incentives
- ✓ Culture **IS** a driver of execution and results
- ✓ Culture **IS** what leaders tolerate and reinforce
- ✓ Culture **IS** experienced daily by employees



BEFORE WE LOOK AHEAD, LET'S RE-ANCHOR ON WHAT TRULY DRIVES VALUE CREATION



PURPOSE & VISION

- Why do we exist?
- What's the value we will create for our stakeholders? (our contribution)
- What is our vision for the impact we will create?



STRATEGY & EXECUTION

- What is the strategy for realising this vision, creating distinctive value to grow and win in the market?



BUSINESS MODEL

- How will we create, deliver and capture value?



INNOVATION

- How do we govern to facilitate and be a catalyst for innovation to drive future business growth and value creation?
- How do we manage innovation risk & assess innovation performance?



CAPABILITY

- What are the distinctive organisational capabilities & resources we need across our value chain?
- Application of technology (e.g. AI, data science) is increasingly important



TALENT & CULTURE

- What distinctive talent & leadership do we require?
- What are the core behaviours, values & principles that guide how we work together to create value?

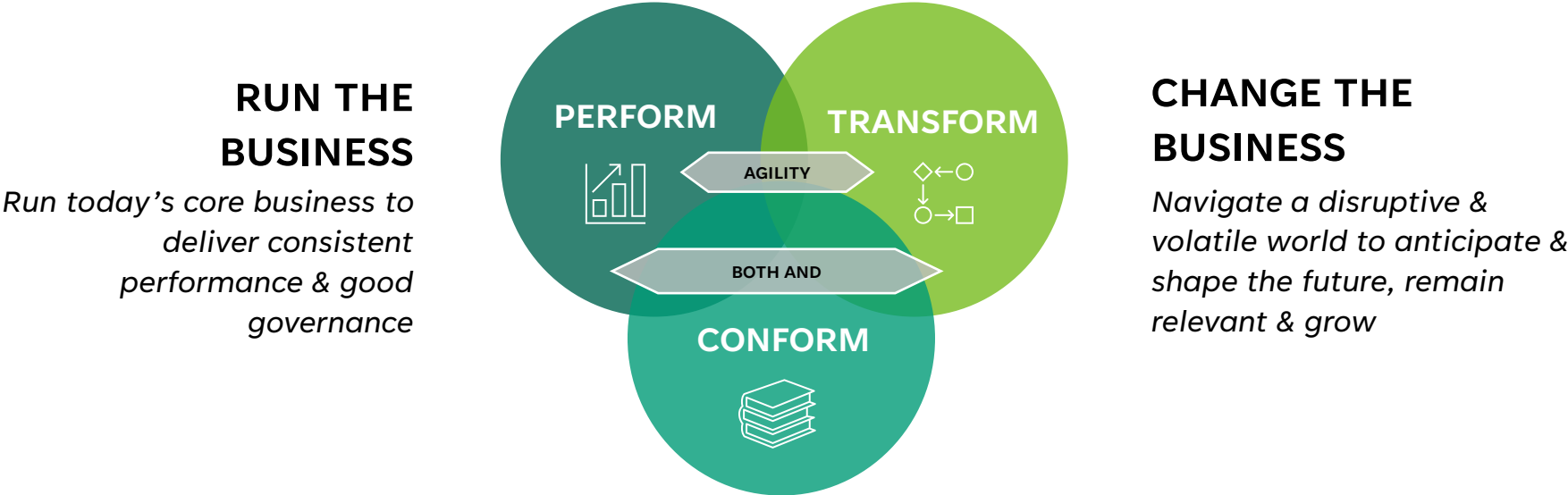


FINANCE & M&A

- How do we allocate capital in alignment with our strategy & vision?
- How do we align & create a common understanding of our future value creation drivers amongst our investors?
- What is the role of the Board in M&A?

THE BOARD TRI-LEMMA

BOARDS APPLY BEST PRACTICE TO ENSURE THE COMPANY IS FOCUSED ON LONG-TERM SUCCESS
THREE CRITICAL FOCUS AREAS WE MUST BALANCE TO ACHIEVE THIS WHICH COMPANY AND BOARD CULTURE IMPACT



Many Boards fall back on playing their governance role
– Acting like an anchor off the back of a boat, slowing down transformation...

...The Board must also be a Critical Friend of management, helping them anticipate and shape the future.

02

**KORN FERRY BLUEPRINT AND
THE SCIENCE BEHIND CULTURE**





QUESTION:

Is our culture strong enough to deliver our M&A ambition?

Where could our culture limit performance, alignment, or transformation?



5 KEY THEMES OF KORN FERRY CEO & BOARD SURVEY 2025

LEADERS ARE FACING MORE RISK, INVESTING MORE IN TECHNOLOGY, BUT ARE CONSTRAINED BY DECLINING CONFIDENCE AND CULTURAL RESISTANCE TO EXECUTION



SEASONED LEADERS, SHAKEN CONFIDENCE

The external environment (geopolitics, disruption, technology) is becoming more complex, but boards and CEOs are **not equally confident** in managing it.



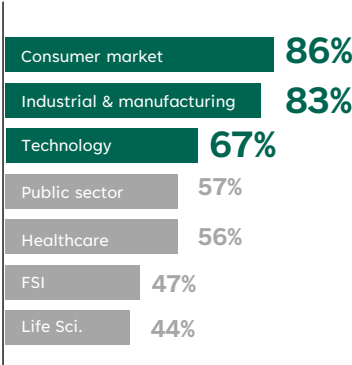
of CEOs and board directors say risk has increased significantly...

Yet only **11%** feel highly confident in their ability to manage those risks



THE INDUSTRY RISK DIVIDE

Risk is not uniform — some sectors are under significantly more pressure than others. Boards must avoid a **“one-size-fits-all” view of risk** — exposure and readiness vary significantly by sector



AI WITHOUT THE ROI

Companies are investing in technology such as AI, but underinvesting in **the human and cultural factors** required to make transformation work

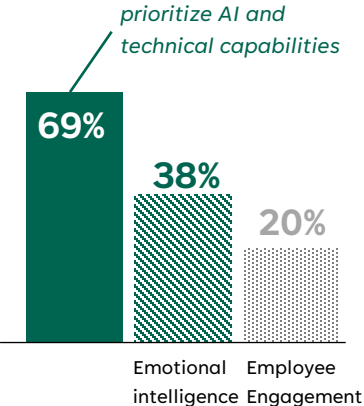
Only **~8%** confident in strong AI ROI Investments

Others are often driven by **fear of falling behind**



GOODBYE EMOTIONAL INTELLIGENCE?

There is a strong shift toward technical skills, while **human leadership capabilities are being deprioritized**



THE BATTLE FOR BUY-IN

The biggest obstacle is not strategy or knowledge — **it is internal resistance to change**. Execution is blocked not by strategy, but by mindset, behavior, and organizational culture

31% identify cultural resistance as the **#1 barrier** to managing risk and change

Reference:
 Korn Ferry (2025), CEO & Board Survey
 Korn Ferry (2026), The Board Agenda for 2026
 Korn Ferry, Risky Business: CEO & Board Perspectives on Risk

Harvard Law School Forum on Corporate Governance (2026), Global Corporate Governance Trends for 2026
 Deloitte (2025–2026), Board Governance & Trends
 McKinsey, The AI Reckoning: How Boards Can Evolve



IF CULTURE DETERMINES EXECUTION, IT BECOMES A CORE RESPONSIBILITY OF THE BOARD



CULTURE IS NOW A CORE DRIVER OF BUSINESS PERFORMANCE

Culture is the #1 barrier (31%), directly affecting execution speed, adaptability, and the organization's ability to deliver strategy.

CULTURE IS AN ENTERPRISE RISK

Weak culture drives poor decisions, misalignment, and resistance to change — making it a root cause of many strategic failures

BOARD ROLE IS SHIFTING: FROM OVERSIGHT TO ORGANIZATIONAL READINESS

Boards must ensure not just the right strategy, but that leadership behaviors and organization are aligned to execute it.

TECHNOLOGY ALONE WILL NOT DELIVER VALUE

Despite strong AI focus (69%), low emphasis on engagement (20%) risks poor adoption and failure to realize transformation value.

CULTURE STARTS AT THE TOP; INCLUDING THE BOARD

Boards shape culture through CEO selection, incentives, governance priorities, and the behaviors demonstrated in the boardroom

Reference:
Korn Ferry (2025), CEO & Board Survey
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Korn Ferry, Risky Business: CEO & Board Perspectives on Risk

Harvard Law School Forum on Corporate Governance (2026), Global Corporate Governance Trends for 2026
Deloitte (2025–2026), Board Governance & Trends
McKinsey, The AI Reckoning: How Boards Can Evolve



MOST M&A FAILURES ARE NOT DUE TO STRATEGY...BUT DUE TO PEOPLE AND CULTURE

CULTURAL MISALIGNMENT IS THE **#1 CAUSE OF INTEGRATION FAILURE**

Up to **90%**

of M&A deals fail to achieve their intended value



HEALTHY ORGANIZATIONS DELIVER

3X THE TSR

OF UNHEALTHY ORGANIZATIONS OVER THE LONG TERM

COMPANIES THAT MANAGE CULTURE WELL ARE:



More likely to achieve **cost synergies**



More likely to achieve **revenue synergies**

What does this mean for Board?



Culture must be assessed before the deal, not after



Integration success depends on behavioral alignment, not just systems



Boards must oversee:

✓ Cultural due diligence

✓ Leadership Alignment

✓ Talent retention risks

Reference:

McKinsey: *Why managing culture is critical for value creation in M&A (2025)*

McKinsey: *The secret to success with transformational M&A? It's the people (2025)*

McKinsey: *In conversation: Culture in M&A*

The importance of cultural integration in M&A: *The path to success (2024)*



QUESTION:

As the steward of shareholders, why is understanding culture important?

What lens do you look at culture through?



FROM GOVERNANCE TO EXECUTION : MASS

CULTURE TRANSFORMATION STARTS WITH INDIVIDUAL BEHAVIOURAL CHANGE

What prevailing **MINDSETS** are supporting, inhibiting or allowing the current & desired behaviour?

Does the **STRUCTURE** of our operating model and workplace design support the beliefs and behaviour we want?

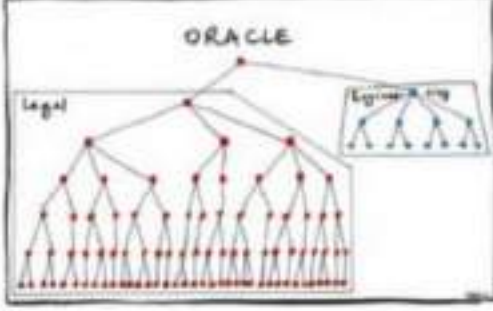
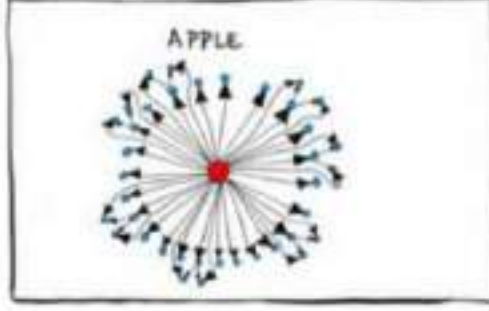
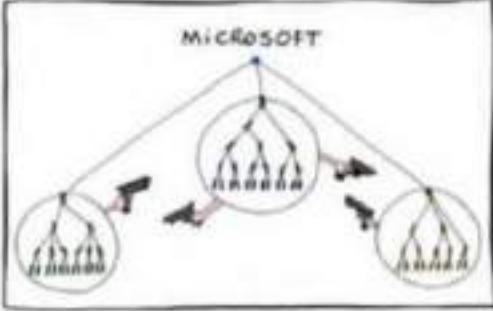
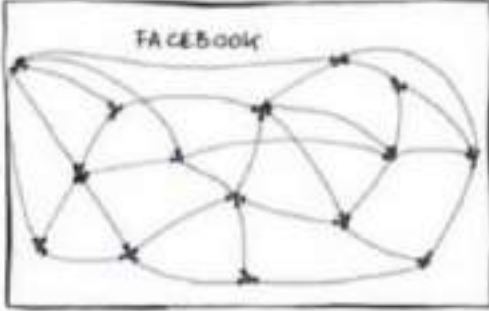
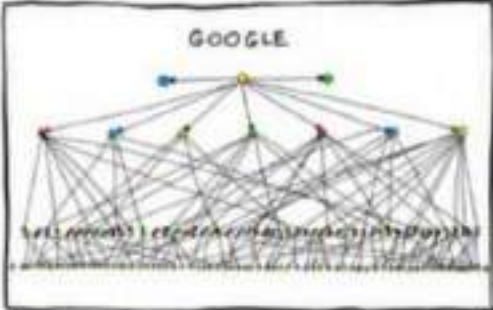
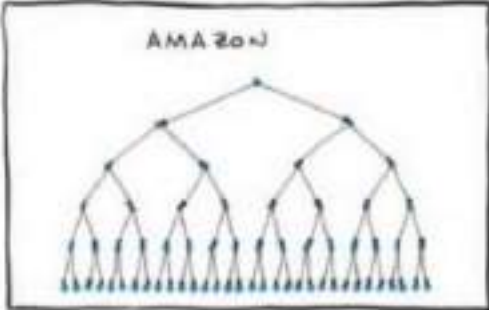
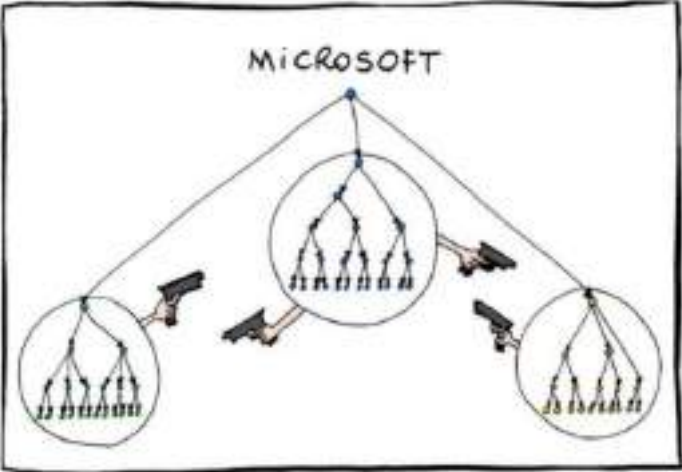


Do we have the right **ABILITY** to behave in the desired way?

Do our core work processes and human **SYSTEMS** support and enable the employees as they attempt to work in new ways?

Behaviour Change will be further accelerated by Rituals, Symbols & Stories.

STRUCTURAL IMPACT ON CULTURE



03

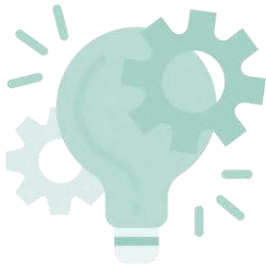
THE CULTURE DIAGNOSTIC AND INSIGHTS TO WMAC



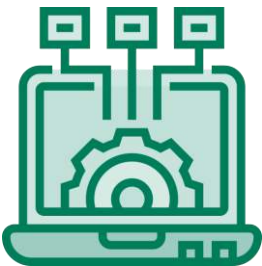
THE TOP 8 STRATEGIC DRIVERS THAT DEFINE HOW ORGANIZATIONS WIN



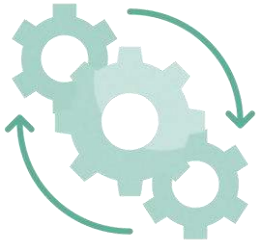
Customer Value



Innovation



Tech Excellence



Operational Excellence



Brand Design



Agility/Speed



People & Talent



Ecosystem & Partnerships

**STRATEGY ALONE IS NOT ENOUGH—
EXECUTION DEPENDS ON CULTURE**

“THE CEO AS CURATOR”

—————◆
Culture is not abstract — it directly
drives performance and
transformation success



MASS MODEL AS A DIAGNOSTIC LENS FOR THE BOARD TO ASSESS CULTURE–STRATEGY ALIGNMENT

A practical “8 Questions” self-check tool to identify where Mindset, Ability, Structure, and Systems may be enabling—or constraining—strategy execution

Mindset

- Are we reinforcing the **mindset** needed for our future—or the one that drove our past success?
- Through our decisions and actions, what **behaviors are we encouraging** across the organization?

Ability

- Do we genuinely have the **capabilities to deliver this strategy**—or are we overestimating our readiness?
- Where will **capability gaps** most likely translate into execution failure?

Structure

- **Does structure enable enterprise performance**—or reinforce hierarchy, silos, and slow decision-making?
- Where might our **focus on control** be slowing down decision-making, ownership, or innovation?

Systems

- What metrics do we reward and are they aligned to strategy?
- Where might our **systems and governance** be unintentionally constraining the outcomes we want?



Early diagnosis enables the Board to address cultural misalignment before it impacts performance



LET'S LOOK AT THE REAL-WORLD EXAMPLES

How WMAC Leading Companies Align Culture (MASS) to Deliver Strategic Drivers...

...Different strategies require different cultural configurations across Mindset, Ability, Structure, and Systems

DISCIPLINE & FOCUS AS A CULTURAL SYSTEM FOR SUSTAINED PREMIUM VALUE

CONTEXT:

- Apple **built a culture centered around design excellence, simplicity, and disciplined execution**
- Under Steve Jobs and sustained by Tim Cook, **culture became deeply embedded** in decision-making and governance
- The company **consistently prioritized focus over expansion**, even at the cost of short-term growth

CULTURE:



Design excellence and craftsmanship as a standard



Relentless focus and strategic discipline



High standards and accountability

BOARD & LEADERSHIP ACTIONS:

- ✓ **CEO Succession continuity:** *Ensure cultural continuity while evolving operational excellence*
- ✓ **Strategic restraint:** *Governance reinforces disciplined portfolio choices and avoids dilution*
- ✓ **Strong ecosystem & privacy governance:** *Reinforce trust, brand integrity and long-term positioning*

VALUE IMPACT:



Sustained premium brand positioning and pricing power



Consistent market leadership across product categories



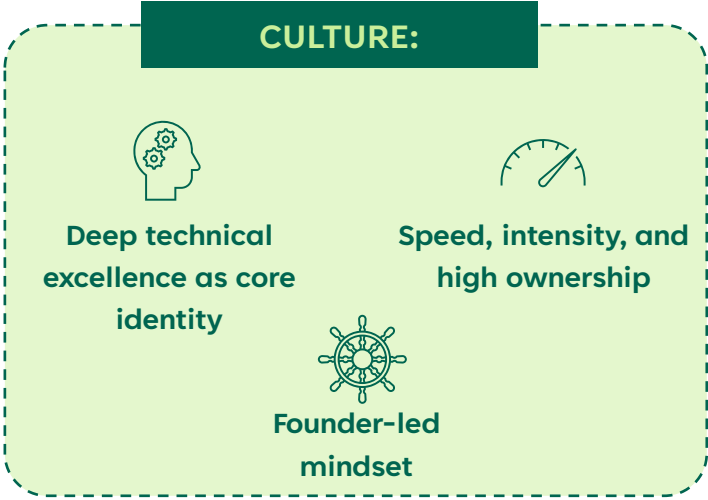
Strong customer loyalty and ecosystem lock-in



SUSTAINED INNOVATION DRIVEN BY INTENSITY, TECHNICAL EXCELLENCE & LONG-TERM CONVICTION

CONTEXT:

- NVIDIA was **not always dominant**; it evolved from a gaming GPU company into a global leader in AI infrastructure
- For over a decade, the company **made long-term bets on AI and parallel computing**, often ahead of market demand
- This required unusual consistency in **culture, leadership and board support**



BOARD & LEADERSHIP ACTIONS:

- ✓ **Backed Long-term AI strategy despite uncertainty:** *Continued investment in CUDA and AI infrastructure before commercial payoff*
- ✓ **Preserved founder leadership and autonomy:** *Enabled consistent direction and avoided dilution of strategic focus*
- ✓ **Reinforced high-performance expectations:** *Alignment between leadership, incentives and delivery standards*

VALUE IMPACT:

- Established global leadership in AI chips and infrastructure
- Became one of the most valuable companies globally
- Positioned at the center of AI, Data centers, Next-gen computing



LONG-TERM VALUE CREATION DRIVEN BY TRUST, DISCIPLINE & COUNTER-INTUITIVE CHOICES

CONTEXT:

- COSTCO operates in a low-margin, highly competitive retail industry
- Conventional logic; minimize labor costs to maximize margins
- Costco deliberately chose the opposite
 - A. Pay higher wages
 - B. Invest in employees
 - C. Accept lower short-term margins

CULTURE:



Employees first
philosophy as
business strategy



Operational
discipline and
simplicity



Long-term orientation over
short-term optimization

BOARD & LEADERSHIP ACTIONS:

- ✓ **Consistently supported higher wages and benefits:** *Despite investor pressure to reduce costs*
- ✓ **Protected low-margin, high-volume business model:** *Reinforced pricing discipline and customer value proposition*
- ✓ **Ensured leadership continuity and cultural consistency:** *Smooth CEO transition from Sinegal to Jelinek; preserving core philosophy*

VALUE IMPACT:



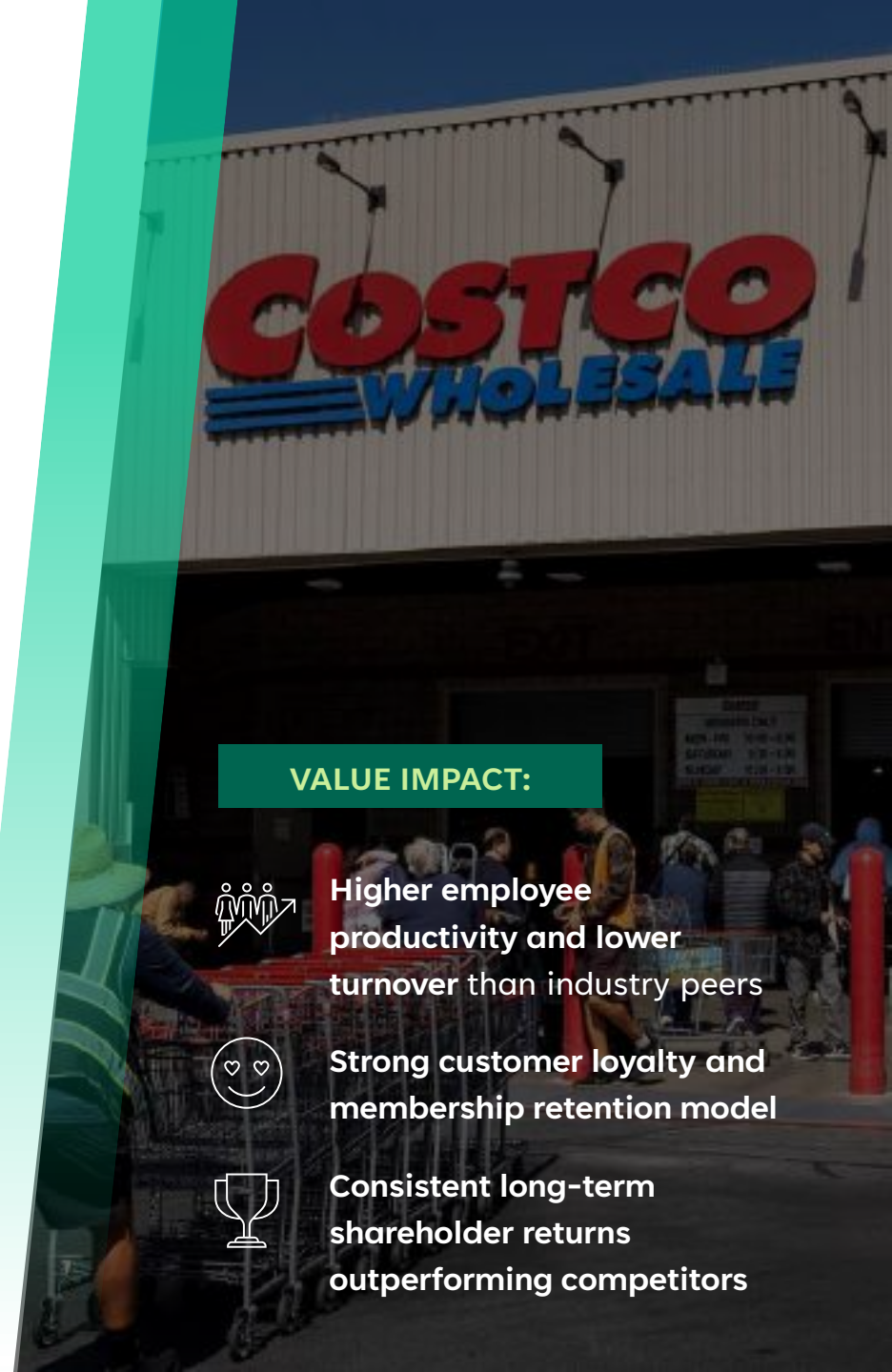
Higher employee
productivity and lower
turnover than industry peers



Strong customer loyalty and
membership retention model



Consistent long-term
shareholder returns
outperforming competitors





QUESTION:

Which WMAC structural move could you “steal” to solve a cultural bottleneck in your own firm?



LET'S HAVE **15 MINUTES**
BREAK



04

REAL WORLD LESSONS: BOARD INFLUENCE ON CULTURE DESIGN – M&A, GROWTH, AND DISRUPTION



**CASE #1 FEDEX, TNT EXPRESS M&A, AND
THE BOARD'S ROLE IN CULTURE**



CASE #1 FEDEX, TNT EXPRESS, AND THE BOARD'S ROLE IN CULTURE IN M&A

The Business Context:

FedEx acquired TNT Express to accelerate its strategic position in Europe by adding TNT's dense road network, local market presence, and intra-European distribution capability to FedEx's global express platform. The acquisition had strong industrial logic and the potential to strengthen customer reach, service capability, and competitive position. However, the deal also involved integrating two sizeable organizations with different operating models, systems, workforce structures, and cultural identities across multiple European markets.

Problem statement:

How should the Board oversee a strategically attractive acquisition where value creation depends not only on operational integration, but also on whether two distinct organizational cultures can be combined without undermining execution, employee commitment, customer continuity, and the pace of synergy realization?

**CASE #2 AMAZON – CULTURE AS
A PLATFORM FOR CONTINUOUS
DISRUPTION AND INNOVATION**



CASE #2 AMAZON – CULTURE AS A PLATFORM FOR CONTINUOUS DISRUPTION AND INNOVATION

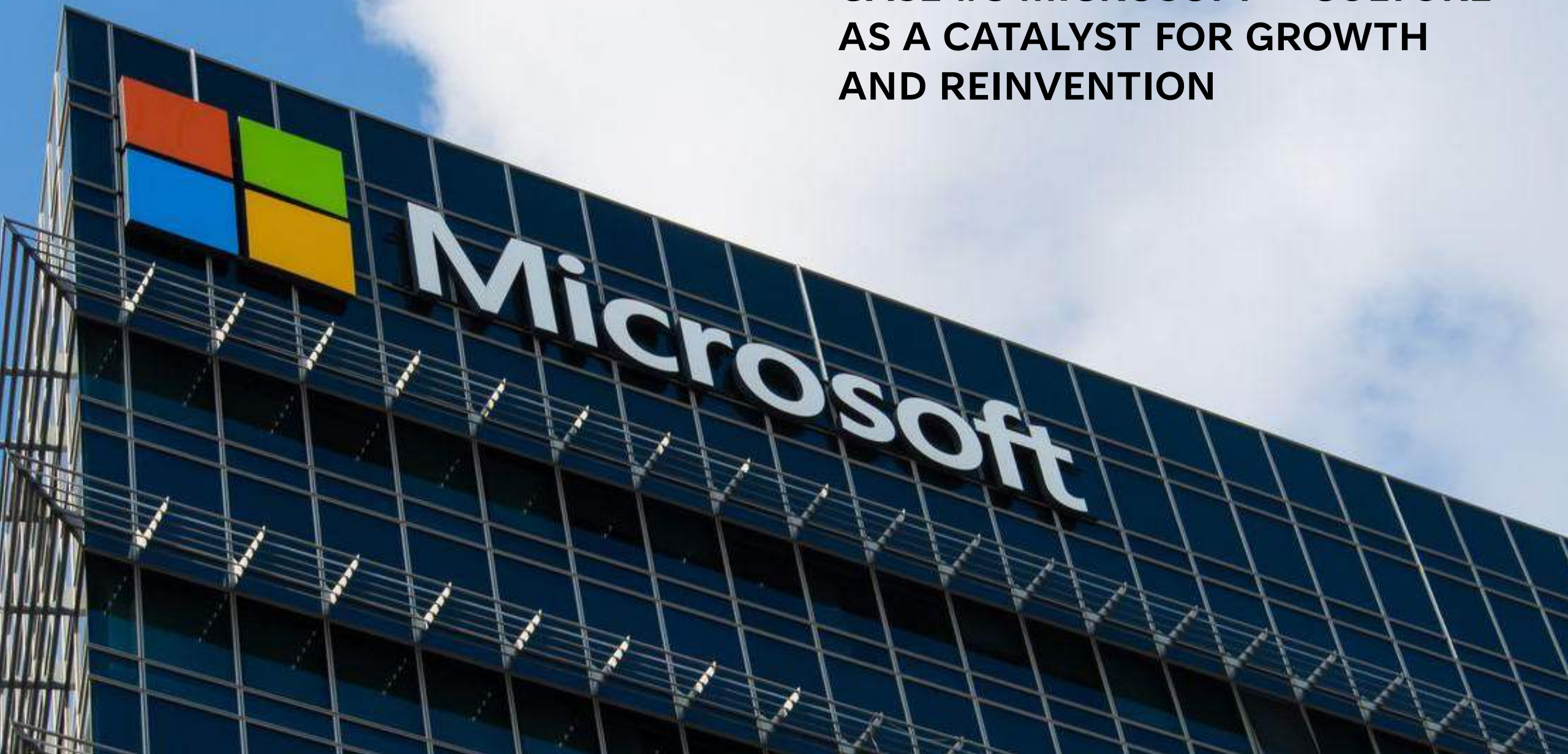
The Business Context:

Amazon's explosive growth across retail, cloud computing, logistics, and media created a profound organisational paradox: the scale and success that gave the company its power also threatened to erode the inventive, customer-obsessed, bias-for-action culture that had built it. As the company expanded rapidly into new industries and geographies, the behaviours that had made Amazon disruptive — speed, experimentation, long-term thinking — were increasingly at risk of being suffocated by the weight of the enterprise itself.

Problem Statement:

How does a board ensure that the cultural principles underpinning competitive advantage are treated as non-negotiable governance commitments — not management aspirations — at every stage of growth, and actively protected from the short-term pressures that scale inevitably brings?

**CASE #3 MICROSOFT – CULTURE
AS A CATALYST FOR GROWTH
AND REINVENTION**



CASE #3 MICROSOFT – CULTURE AS A CATALYST FOR GROWTH AND REINVENTION

Business Context:

By the time Satya Nadella became CEO in 2014, Microsoft had spent nearly a decade losing ground on the technology waves that were reshaping the world — mobile, social, gaming, and cloud. The cause was not a lack of talent, capital, or market position. It was a deeply entrenched internal culture of siloed competition, political infighting, and a "know-it-all" fixed mindset that had made collaboration and experimentation structurally impossible across an organization of over 200,000 people.

Board Challenge:

How does a board recognize — before crisis demands it — that the culture it has tolerated has become the primary obstacle to strategy execution, and what must it do to enable and legitimize a transformation of that scale and depth?



10 MINUTES

INSTRUCTION:

- Take 10 minutes to read and understand the case study
- As you read, use the MASS framework as a lens for reflection

- Share with your table:
 1. How confident are we that management has identified the critical culture that could weaken execution, or erode value?
 2. What should the Board monitor to ensure management is successfully driving a constructive culture?
 3. Where should the Board draw the line between management's responsibility to run the business and the Board's fiduciary responsibility to shareholders and intervene if culture-related risks begin to threaten value creation?



**CASE #1 FEDEX, TNT EXPRESS M&A, AND
THE BOARD'S ROLE IN CULTURE**



CASE #1 FEDEX, TNT EXPRESS, AND THE BOARD'S ROLE IN CULTURE IN M&A

TAKEAWAYS FOR BOARDS

- FedEx bought a strategically sensible asset, but the route to value was longer and more fragile than the original deal thesis implied.
- Culture did not determine the outcome alone, but it clearly influenced the speed, cost, and resilience of integration.
- For boards, the case illustrates why culture belongs within the Conform, Perform, and Transform agenda before, during, and after a deal.

CASE #1 FEDEX, TNT EXPRESS, AND THE BOARD'S ROLE IN CULTURE IN M&A

SAMPLE QUESTIONS YOU COULD APPLY TO THE TRANSFORMATION JOURNEY

- Where, if anywhere, would you have challenged management harder before approving the deal?
- What evidence would you want to see that culture integration was strengthening, not weakening, execution?
- How should a board distinguish between normal integration friction and early warning signs of value erosion?

**CASE #2 AMAZON – CULTURE AS
A PLATFORM FOR CONTINUOUS
DISRUPTION AND INNOVATION**



CASE #2 AMAZON – CULTURE AS A PLATFORM FOR CONTINUOUS DISRUPTION AND INNOVATION

TAKEAWAYS FOR BOARDS

- **Culture must be codified, not assumed.** Amazon's leadership principles – Operational mechanisms embedded into how decisions were made at every level.
- **The board must protect long-term cultural commitments against short-term pressure.** Philosophy: new initiatives as "programs" – explicit recognition years to deliver impact.
- **Failure tolerance is a board-level governance decision, not just a management preference.** Failure and invention are inseparable twins, how does board react to missed bets?

CASE #2 AMAZON – CULTURE AS A PLATFORM FOR CONTINUOUS DISRUPTION AND INNOVATION

SAMPLE QUESTIONS YOU COULD APPLY TO THE TRANSFORMATION JOURNEY

- Are we truly aligned on our appetite for risk and experimentation?
- Where might governance or metrics be unintentionally constraining innovation?
- Are we rewarding long-term value creation or short-term predictability?
- What mechanisms are in place to scale innovation across the organization?
- Are we comfortable with the level of failure required to sustain disruption?

**CASE #3 MICROSOFT – CULTURE
AS A CATALYST FOR GROWTH
AND REINVENTION**



CASE #3 MICROSOFT – CULTURE AS A CATALYST FOR GROWTH AND REINVENTION

TAKEAWAYS FOR BOARDS

- Microsoft's experience highlights that CEO selection is a powerful lever for shaping culture, and that culture must be aligned to strategy for transformation to succeed.
- Boards play a critical role in protecting long-term change from short-term pressures and shaping culture
- Culture change requires the board to make an explicit, visible commitment through the systems, structures, and decisions they oversee.
- When treated as a deliberate design choice, culture becomes a key driver of long-term performance.

CASE #3 MICROSOFT – CULTURE AS A CATALYST FOR GROWTH AND REINVENTION

SAMPLE QUESTIONS YOU COULD APPLY TO THE TRANSFORMATION JOURNEY

- What is the honest diagnosis of our current culture — and do we have the courage to act on what it tells us?
- How are we selecting and evaluating leaders — and are those criteria reinforcing or undermining the culture we need?
- Are we truly aligned on our level of failure required, appetite for risk and experimentation?
- Are we rewarding long-term value creation or short-term predictability?
- What mechanisms are in place to scale innovation across the organization?

**“BIGGEST
CORPORATE M&A
FAILURE : WHAT
WENT WRONG”**



A MERGER OF OPPOSITES

When two incompatible cultures collide, strategy is never enough.

AOL

The Disruptor

Startup energy. Evangelical speed.

Internet as a religion.

TIME WARNER

The Empire

Decades of prestige. Institutional pride.

Media as a dynasty.

January 10, 2000

THE CULTURAL DIVIDE

AOL	VS.	Time Warner
Move fast, break things. Internet is everything — now.	MINDSET	Protect the legacy. We've been building this for decades.
Scrappy & entrepreneurial. Ask forgiveness, not permission.	DECISION MAKING	Hierarchical & process-driven. Committees, memos, approval chains.
Startup turned rocket ship. Employees were evangelical believers.	IDENTITY	Old-money media conglomerate. Pride in prestige and institutional weight.
Time Warner = dusty dinosaur slowing us down.	VIEW OF THE OTHER	AOL = arrogant upstarts who got lucky with the bubble.

"What seemed like a good idea quickly became a culture clash. People were focused on the wrong things."

— Steve Case, AOL CEO

AOL – TIME WARNER FAILURE



Key Takeaways for Boards Evaluating M&A

1. Culture is a financial risk, not a soft issue.
2. Valuation premiums demand cultural compatibility.
3. Power structure ambiguity is a culture time bomb.
4. Speed of culture integration must match speed of market change.



AOL-TW: Concrete Culture Questions the Board Should Have Asked

1. How do each organization's leaders actually describe the other's culture — and have they spent meaningful time together?

- Not polished answers prepared by investment bankers, but candid, unscripted views.

2. What is each company's decision-making model, and are they compatible?

- AOL operated with speed, informality, and centralized authority. Time Warner operated through divisional autonomy, deliberate consensus, and institutional hierarchy.

3. What does the retention plan look like for the top 100 leaders — and what is each person's genuine willingness to work within the combined culture?"

- The loss of key talent following a cultural mismatch - destroyer of deal value.
- Talent retention analysis - which leaders would thrive, which would resist, and which would leave — before the deal was approved, not after.

4. Who is accountable for culture integration, what is the specific plan, and what are the measurable milestones for the first 18 months?

- Is there a concrete answer — with an owner, a budget, defined workstreams, and measurable outcomes



QUESTION:

By virtue of the cases we reviewed, do we see culture as an enabler to Total Shareholder Returns?



05

THE BOARD “SELF-CHECK IN”



SELF DIAGNOSTIC – WHAT’S YOUR IMPACT

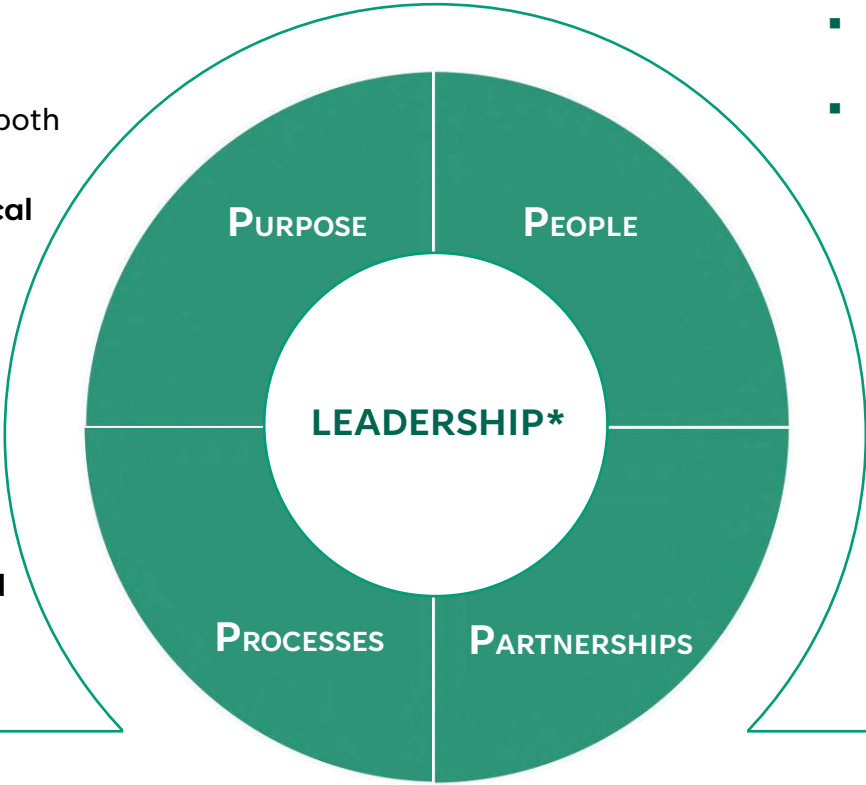
KORN FERRY’S FRAMEWORK FOR BOARD EFFECTIVENESS

Purpose of the Board

- What am I doing to ensure the Board spends **time** to add maximum value to both our Perform & Transform priorities?
- Am I **aligned & have buy-in on the critical priorities** and the role(s) I will play?

Processes & Procedures

- Do we have the practices, processes & rhythms for ensuring an efficient process that governs **effective meetings, timely decision making and information sharing**?



*Leadership

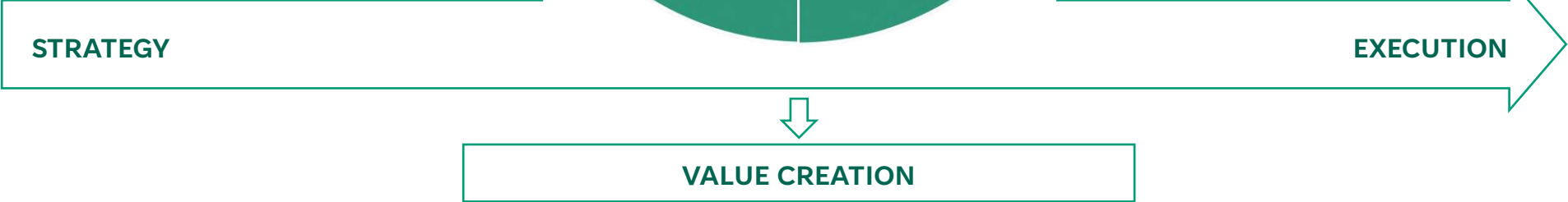
- How is the Board being led by the Board & Committee Chairs?
- What is my **distinctive value add** to enhance performance & contribution of the Board to deliver the Company culture and strategy?

Board Composition & Structure

- Is the current composition **sufficient to serve the future needs of the Company**? Am I clear where I fit and how I am expected to contribute?

Partnerships, Culture & Behaviours

- Am I a “critical friend” to Management founded on a strong **partnership** of trust, psychological safety, candour & constructive challenge?



BOARDS ALSO MUST WORK ON THEIR PARTNERSHIP WITH MANAGEMENT

We need to look at **the partnership** between the Board & Management to enhance the value created through the partnership between the Board & Management



BOARD PROGRESSION - A DEEPER DIVE ON THE 6 DIMENSIONS

STAGE OF BOARD PROGRESSION

6 DIMENSIONS

FOUNDATION BOARD



1. Board & Committee Processes:
Does the Board have Board and Committee processes for Information Sharing & Decision Making that meet compliance requirements and the needs of the business?

How effective are the Board's overall processes to support both organisational agility and good governance?

DEVELOPED BOARD



2. Board Composition & Structure:
Does the Board have the requisite breadth and depth of experience, expertise and capabilities to be an asset on the current and future strategic issues that matter?

Are Board members fit for purpose?

ADVANCED BOARD



3. Board & Culture & Dynamics:
Does the Board operate as an effective team, with high quality, open discussion and debate that fully leverages the Board diverse capability?

4. Board Partnership with Management:
Does the Board have an open, transparent and productive partnership with the CEO and Management?

5. Board Leadership & Director Contribution:
Is the Chair fit for purpose and effectively leading the focus and culture of the Board and proactively shaping its composition?

Is each Director contributing fully to Board discussions, fully leveraging his/her distinctive value?

STRATEGIC ASSET



6. Strategic Priorities & Focus to Shape the Future:
Does the Board have a clearly defined and value-adding role on the critical strategic priorities facing the organisation?

Does the Board add the required value in these key areas:

- i. Strategy & Strategic Agility;
- ii. Oversee Company Performance;
- iii. Succession Planning;
- iv. Risk & Crisis Management; &
- v. Stakeholder Influence?

Process Driven

Behaviour Driven

THE EVOLVING ROLE OF CHAIRS

WHAT QUALITIES DEFINE AN EFFECTIVE CHAIR?



Facilitates Strategic Discussions



Ability to frame issues & boardroom discussions so that they diverge & reach convergence.

Engages Stakeholders & Shareholders



Views shareholders and stakeholders as assets to engage & harness, rather than a burden to manage.

Builds & Leads High-Performing Teams



Strong at building, leading & maintaining trust amongst high-performing teams.

Partners Closely with the CEO



Maintains a critical friend relationship with the CEO; constructive challenge, seated on same side of the table.

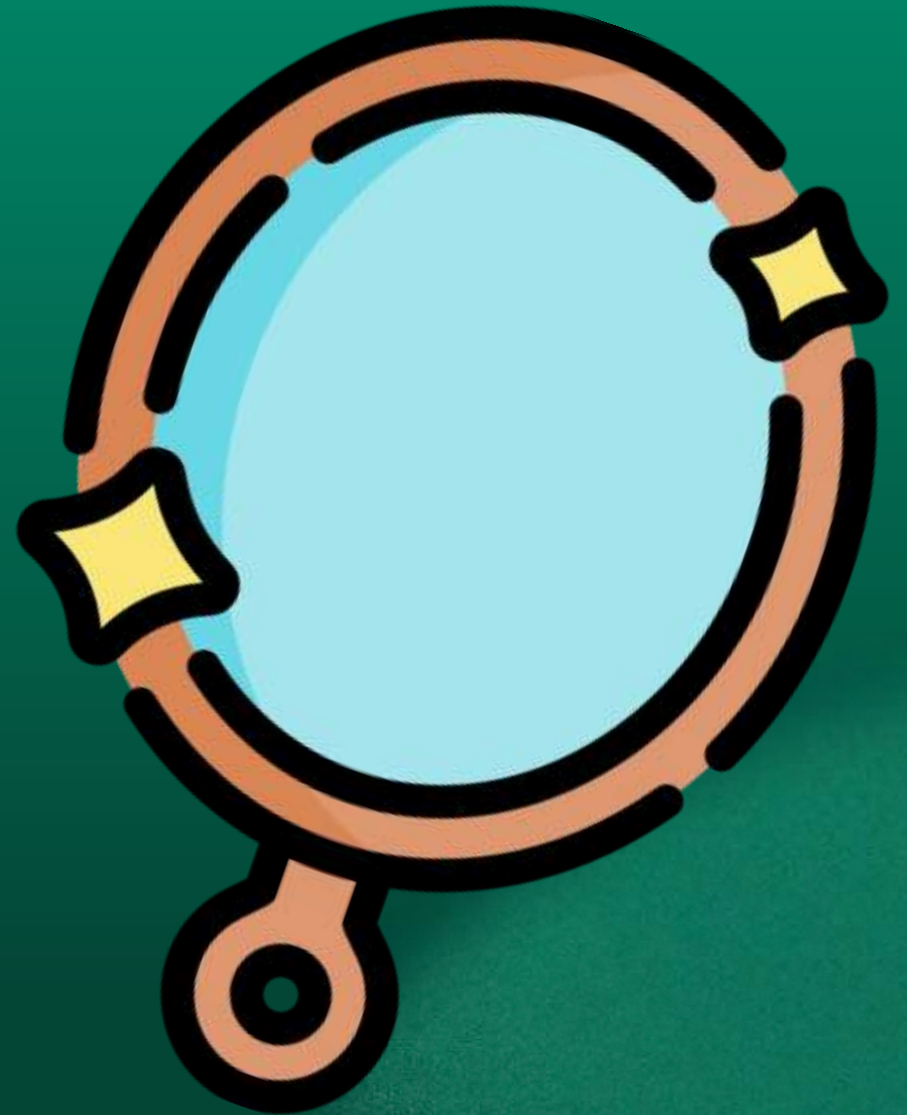
Provides hands-on Support



Willing to provide hands-on support to CEO & management without being an executive.

NB: A good CEO might not necessarily be a good chair

**LET'S PAUSE AND HOLD
UP A MIRROR TO OUR
OWN BOARD**





“Think of a behavior in your Board that limits Board’s Effectiveness”

- Why does it persist?
- Is it transferring to management?

“If a behavior exists at scale, it is being systemically reinforced.”

BOARD BEHAVIORS THAT STALL IMPACT

The Board should be challenging without being adversarial, supportive without being captured, and engaged without becoming operational

Behaviour	What it looks like	Why it damages effectiveness
1. Blurring governance and management	Directors drift into operating decisions, redesigning org structures, challenging hiring choices below the CEO, or second-guessing tactical execution.	It undermines the CEO's authority and confuses accountability. The Board should govern, not run the business.
2. Ambushing the CEO in Board meetings	Directors raise major concerns for the first time in the formal meeting, often in front of the full management team.	It creates defensiveness, weakens trust, and shifts the meeting from constructive oversight to theatre.
3. Fragmented messaging from individual directors	Board members have separate side conversations with executives, giving different advice or pressure points.	Management receives mixed signals and may start "managing the Board" rather than managing the business.
4. Avoiding the hard conversations	The Board tolerates underperformance, weak strategy, poor succession planning, or CEO behavior concerns because it wants to preserve harmony.	Politeness becomes complicity. The Board's role is not to be comfortable; it is to protect the long-term interests of the organization.
5. Over-identifying with the CEO	The Chair or directors become too close to the CEO and lose objectivity.	The Board becomes less able to challenge, evaluate, or intervene when needed. Trust is essential, but independence is non-negotiable.
6. Treating management as presenters, not strategic partners	Management is brought in to "report out" rather than engage in real debate, insight, and forward-looking discussion.	The Board wastes the capability of the executive team and misses the chance to test assumptions before decisions become locked in.
7. Focusing on rear-view metrics rather than future risk and value	Board agendas are dominated by historical financials, compliance updates, and operational detail.	The Board becomes a reporting forum, not a value-creating governance body. It misses strategic inflection points.
8. Poor Boardroom discipline and low collective accountability	Directors arrive underprepared, pursue pet topics, dominate airtime, re-litigate settled decisions, or fail to support collective decisions outside the room.	It erodes Board credibility and slows management. A Board can demand discipline from management only if it models discipline itself.



QUESTION:

What are we leaning too heavily on?

What will be your “Pivot” on organizational culture at the next Board Meeting? (or even your own board!)



05

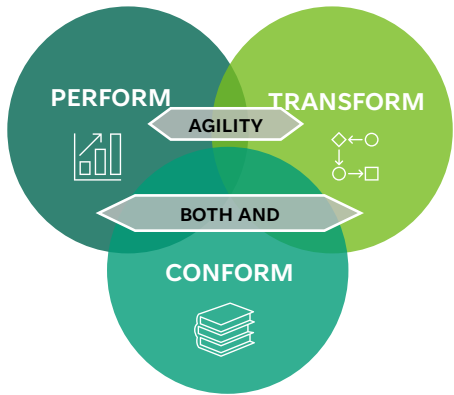
THE MASTER PLAN



LET'S RECAP OF WHAT WE HAVE DISCUSSED...



Board's trends and Board's impact on Culture



The Board Tri-lemma



Korn Ferry Blueprint & Science behind the culture



What prevailing **MINDSETS** are supporting, inhibiting or allowing the current & desired behaviour?

Do we have the right **ABILITY** to behave in the desired way?

Do our core work processes and human **SYSTEMS** support and enable the employees as they attempt to work in new ways?

Does the **STRUCTURE** of our operating model and workplace design support the beliefs and behaviour we want?



Culture Diagnostic, Insights to WMAC



The Top 8 strategic drivers that define how organizations win



WMAC case studies



Real-world lessons, the Self-check



Korn Ferry's framework for board effectiveness

Any Questions?



OFFICIAL TALENT & ORGANIZATIONAL
CONSULTING PARTNER

Korn Ferry is a global consulting firm that powers performance. We unlock the potential in your people and unleash transformation across your business—synchronizing strategy, operations, and talent to accelerate performance, fuel growth, and inspire a legacy of change. That’s why the world’s most forward-thinking companies across every major industry turn to us—for a shared commitment to lasting impact and the bold ambition to *Be More Than*.

As the Official Talent & Organizational Consulting Partner of LA28, Korn Ferry is powering the nearly 5,000 people who power the Olympics Games—bringing in the right talent, building strong leaders, and shaping the structure and culture that will deliver an unforgettable experience for the world.

DRIVING BUSINESS GROWTH THROUGH TALENT

AN INTEGRATED APPROACH ACROSS STRATEGY, LEADERSHIP AND WORKFORCE



WE'D LOVE TO HEAR FROM YOU!



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