Maeve Coburn
Senior Vice President, Learning for Transformation
Member, US Executive Committee

L’ORÉAL
“Culture isn’t just one aspect of the game, it is the game.”

- Lou Gerstner
  former CEO, IBM
M A E V E  C O B U R N:  I N T R O D U C T I O N

Nationality
Irish
American

Education
BE Chemical Engineering
MBA

Experience
3 Yrs Lafarge
1 Yr Estée Lauder
26 Yrs L’Oréal

Functions
Development Engineer
Marketer
General Manager
Learning & Org Development

Countries
USA
France
UK
Ireland

Passions
Family
Travel/Nature
Yoga
Unlocking potential
L'ORÉAL IN NUMBERS

#1 beauty company
25 billion € sales in 2015
12.5% market share
130 countries
89,000 employees
17.3% operating margin
HOW TO SHAPE COMPANY CULTURE

L’ORÉAL SOURCES BRANDS GLOBALLY
Our Mission is to bring **beauty** to all.

Beauty that’s rich in **meaning**. Allowing individuals across the globe to express themselves, feel **confident** and open up to others.

Our Ambition is to win one billion more consumers by meeting the infinite **diversity** of their beauty needs.
We want to keep our values…

Belief in people
Passion for Beauty
Innovation
Entrepreneurial Spirit
Open-mindedness
Quest for Excellence
Responsibility
DEFINING A COMPANY CULTURE

Observable actions, the way people operate on a daily basis

Values and beliefs that inform people’s perception of truth and good, and shape what people think and do

Thought patterns shaped by unconscious forces and assumptions

Mindsets

Deeply engrained biases

Behaviors
### CULTURE GETS SHAPED OVER TIME...

<table>
<thead>
<tr>
<th>Company</th>
<th>Age (Years)</th>
</tr>
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<tbody>
<tr>
<td>Avg Hedge Fund</td>
<td>3</td>
</tr>
<tr>
<td>Google</td>
<td>18</td>
</tr>
<tr>
<td>Netflix</td>
<td>19</td>
</tr>
<tr>
<td>Amazon</td>
<td>22</td>
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<tr>
<td>L’Oréal</td>
<td>107</td>
</tr>
<tr>
<td>Canada</td>
<td>150</td>
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<tr>
<td>USA</td>
<td>241</td>
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H O W T O S H A P E C O M P A N Y C U L T U R E

W H E N Y O U A R E A 1 0 7 Y E A R O L D O A K T R E E ...
Who wants change?
Who wants change?

Who wants to change?
How to Shape Company Culture

Culture can be molded & actively managed.
How to Shape Company Culture

The Right Approach to Change

Approach people side of change rationally.

Allow for the emotional and psychological experience.
Step 1:

Acknowledge that you have a critical role to play in shaping your culture.

Leadership behaviors and the decisions you make are the single most important influence on organization culture.
Step 1:

Self awareness is…

- Being aware of your emotions and their impact on your behavior & performance.

- Knowing your patterns, triggers and defensive routines - how others impact you.

- Feeling comfortable with yourself and walking your talk.
Step 1:

Emotions are contagious.

Emotions spread irresistibly whenever people are near each other.

Emotions are an “open loop” system.
Step 1:

People fail with behavior change for 2 reasons.

<table>
<thead>
<tr>
<th>YOU JUST CAN’T</th>
<th>YOU JUST WON’T</th>
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<tbody>
<tr>
<td>• You don’t know what the desired behavior is</td>
<td>• You don’t want to do the desired behavior</td>
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<tr>
<td>• You don’t have the skills to do the desired behavior</td>
<td>• You believe it’s too hard to do the desired behavior</td>
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<tr>
<td>• It is physically impossible</td>
<td>• You are afraid to stop doing the undesired behavior</td>
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20% 80%
Step 2:

Create a culture of feedback.
Step 2: Differences between **BOSS** vs. **LEADER**

<table>
<thead>
<tr>
<th>BOSS</th>
<th>LEADER</th>
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<tbody>
<tr>
<td>Drives employees</td>
<td>Coaches employees</td>
</tr>
<tr>
<td>Depends on authority</td>
<td>Depends on goodwill</td>
</tr>
<tr>
<td>Inspires fear</td>
<td>Generates enthusiasm</td>
</tr>
<tr>
<td>Says “I”</td>
<td>Says “we”</td>
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<tr>
<td>Places blame for the breakdown</td>
<td>Fixes the breakdown</td>
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<tr>
<td>Knows how it’s done</td>
<td>Shows how it’s done</td>
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<tr>
<td>Uses people</td>
<td>Develops people</td>
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<tr>
<td>Takes credit</td>
<td>Gives credit</td>
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<tr>
<td>Commands</td>
<td>Asks</td>
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<tr>
<td>Says “Go!”</td>
<td>Says “Let’s go!”</td>
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</table>
“One of my fears is being this big, slow, constipated, bureaucratic company that’s happy with its success.”

- Mark Parker
CEO, Nike
Step 2:

Create a culture of feedback.

The #1 criterion to enable people to change: **Psychological Safety**

- people express relevant thoughts/feelings
- people make and share mistakes openly
- give tough feedback and have difficult conversations – no tip-toeing
Step 2:

Top performing teams praise (vertically & horizontally) more than they criticize.

![Bar chart showing ratio of positive comments to criticism](chart.png)

**A Little Criticism Goes A Long Way**
Top performing teams give each other five positive comments for every criticism.

Note: Performance was measured according to financial performance, customer satisfaction ratings, and 360-degree feedback ratings of the team members. Source: Losada & Heaphy: The role of positivity and connectivity in the performance of business teams. HBR.org, 2004.
Step 2:

- Self-awareness
- Psychological Safety
- Trust
- Honest feedback
Step 3:
Set a very specific behavioral goal.
No more than 1-2.
“You can’t think your way into right action, but you can act your way into right thinking.”

- Bill Wilson
  Co-Founder,
  Alcoholics Anonymous
A D K A R: A M O D E L F O R T H E P E O P L E S I D E O F C H A N G E

Successful Change

Awareness  Desire  Knowledge  Ability  Reinforcement
ADKAR: A MODEL FOR THE PEOPLE SIDE OF CHANGE

AWARENESS of a need for change

DESIRE to participate in and support the change

KNOWLEDGE on how to change

ABILITY to implement new skills and behaviors

REINFORCEMENT to sustain the change
ASSESSING WHERE YOU ARE ON THE SCALE OF CHANGE

On a scale of 1-5, with 1 being the lowest, rate yourself with respect to leading the change in your part of the organization.

<table>
<thead>
<tr>
<th>Awareness</th>
<th>Desire</th>
<th>Knowledge</th>
<th>Ability</th>
<th>Reinforcement</th>
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### Interventions to Support Org Change

**Awareness / Desire**
- Behavior Charter onboardings for leaders & teams
- Change champions sessions
- Team off sites
- Feedback loops
- Many, many presentations about the journey and the desert

**Knowledge / Abilities**
- Charter & ‘to be culture state’ integration in Leadership development programs
- Hotspot facilitation
- Individual & team coaching
- Top executive upskilling

**Reinforcement**
- Link to:
  - Compensation
  - Performance Mgmt
  - Recruitment
  - Talent mobility
- Launch recognition program
- Team goal setting
We can change culture if we change behavior.
Thank you!

Questions?