Culture
FORWARD

IS YOUR CULTURE HELPING YOU STAY RELEVANT?

Report Q4 2018

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The Sentinel Report

Is one of Globant's initiatives to help our clients stay relevant through the observation of market trends, insights, and industry behavior from all over the world.

This information is meant to inspire new thoughts and initiate new conversations about products, services, ideas, and opportunities in an effort to help us be more creative and innovative in our solutions.

Observation and action are at the core of any sustainable strategy, and we believe that this is a great way to create a positive trend.
We encourage you to share this information with your colleagues and deepen your understanding of the concepts and ideas that we present here.

TAKE A LOOK AND ENJOY!

Martin Migoya

CEO Globant
@migoya

80%

of companies that want to be more innovative do not exercise the right behaviors to achieve innovation.

well... that... SUCKS!

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Culture is tangible

It's everywhere

CULTURE IS

Our ideas, our habits, and our social behavior.

These three things define how we react in the face of conflict, how we pursue new opportunities, how we deal with uncertainty, and at the end of the day, how we define success in our companies.

Culture is not an elusive, ephemeral, intangible thing; it's actually very visible and even measurable. To think that culture is intangible is to believe a lie that suggests that you cannot change it, or affect it.

Corporate culture is broad and can be hard to grasp, so it's easy to push it to the side. However, culture isn't secondary—it's core to increasing revenue and building the happiest and most motivated teams you may ever have. CEOs recognize this.

Researchers at Columbia University surveyed **1,300** North American CEOs about corporate culture. More than **90%** believed that culture was important, and **92%** believed that improving their company's culture would increase the firm's value.

Researchers compared stock market performance of a portfolio of publicly-traded companies rated "Best to Work For" by employees with the Fortune 500. After **five** years, those rated "Best to Work For" were on average **40%** more valuable in the stock market, while in the same period the S&P 500 experienced a 9% decline in returns. Can we assume, therefore, that happy employees play a role in increasing a company's stock price?

Source: Adams, Susan. "Corporate Culture Matters a Lot, Says New Study." *Forbes*, Nov 12, 2015.
https://www.forbes.com/sites/susanadams/2015/11/12/corporate-culture-matters-says-new-study/#79270d822b41 (accessed Nov 28, 2018).
Bharatwaj, Shanthi. "10 Best Companies for Employees...and Shareholders." *TheStreet*: Jun 17, 2010.
https://www.thestreet.com/story/10785007/1/10-best-companies-for-employees-and-shareholders.html (accessed Nov 28, 2018).

This whole report is here to tell you what are the aspects of your culture that you can affect and how to do it.

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PLEASE DON'T

Since we know that culture is a set of ==IDEAS==, ==HABITS==, and ==BEHAVIORS== then the question is, what are the ==IDEAS==, ==HABITS==, and ==BEHAVIORS== that I need to adopt in my team to stay relevant?

In our experience of transforming organizations, we have discovered that companies that cannot originate innovative products or services tend to have a the same set of behaviors and customs.

These are the things that we have seen that are not conducive to innovation or staying relevant in your industry. Take a look—does it ring a bell?

NO COLLABORATION BETWEEN TEAMS

LEADERSHIP WITH NO TECHNOLOGICAL KNOWLEDGE

LACK OF CURIOSITY

LOW VISIBILITY OF GOALS AND PROGRESS

NO RECOGNITION OF TALENT

NO FEEDBACK

TOO VERTICAL

SILO MENTALITY

NO ACCESS TO CONSUMER INSIGHTS

RELEVANT COMPANIES
are like this!

These are the seven ideas, habits, and behaviors that we see are common among companies and leaders that **enable innovation** and relevance across their organizations. Each of these are important and unique, and at the same time, work in conjunction with the other aspects. Let's see what it takes to do this.

Collaborative
Our ability to work across departments to produce a common result.

Experimental
Our capacity to explore, fail, learn, and iterate in a systematic way.

Data Centric
Our capacity to make decisions based on common and objective data.

User Centric
Our ability to observe behaviors of our users and extract insights.

Digital Thinking
Our common knowledge of digital language and our capacity to apply it.

Curious
Our ability to seek new ideas and cultivate new thinking.

Agile
Our ability to adapt to changes in an efficient and effective way.

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COLLABORATION

Our ability to work together to produce a common result.

METRICS

# of interactions between teams
This metric looks after formal and informal interactions. Formal meaning interactions needed to complete an assigned task. Informal interactions based on personal objectives.

# of teams composed by mixed profiles
This metric looks at teams composed by members of other reporting lines.

TOOLS

StarMeUP OS

Trello

slack

Globant

Make your employee's life more meaningful

JJ Lopez Murphy
A.I. Practice Lead
A.I. Studio

There is a prevalent fear among many non-tech members of society that machines—AI—will replace them.

This has been exacerbated by many industry providers, since they promise a future where "no costly human" would hinder production of low cost services. Didn't this happen with steam, coal, assembly line, and many others?

There's a huge catch this time. We will no longer need to adapt methods and people to leverage these technological revolutions, but rather we can let them do their thing while we focus on other things.

AI will enable modern endeavors to shift the burden of repetitive, low value tasks to the machines, while employees will be able to focus on the special and unique parts of their job and approach.

What makes life meaningful, according to some studies (Carol Ryff), has to do with mastery, growth, purpose, autonomy, self-acceptance and positive relationships. Removing busywork and repetitiveness opens the door to grow in each and every one of them.

But it's not only about "hygiene factors" (Herzberg's 2 factors) and removing things that affect the baseline well-being. It's also about motivation, belonging and the right kind of "nudge".

AI helps us through the "enterprise consumerization" trend, treating our teams with as much care for delight as our customers. AI enables delight by finding what you are looking for, even before you know you are about to seek it.

This serendipitous surprise is at the core of feeling understood, letting us feel part of a "system" with a relationship as close as a larger group of friends.

Meaningful work is related to doing something that you believe adds value, in a way that feels personal, while being as creative as you want to in that process. Whatever creativity might mean in your field of work. When you can focus primarily on those aspects, meaningfulness blossoms.
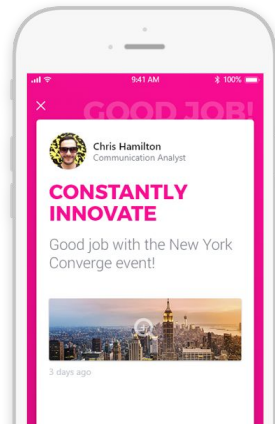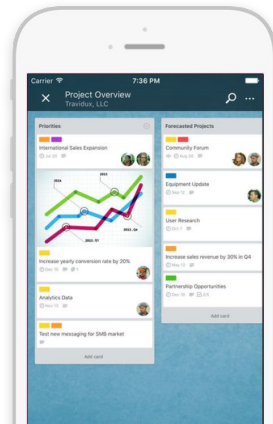
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TOOLS TO HELP YOU

StarMeUp
Being open to identify the nature of interactions is a symptom of a healthy culture.

Looking after formal and informal interactions may help us understand the nature of interactions in the workplace and how to work in collaborative teams.

Trello
Accountability and collaboration across teams are part of building a strong, team-committed culture.

Facilitate friendly tools to encourage ownership, agility, and collaboration across different teams and geographies.
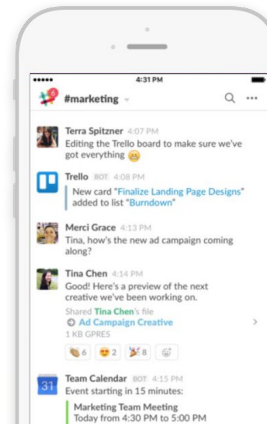
SLACK
Feeling close to our peers facilitates synergy and narrows geographical divides.

This can be a great source of new ideas, shared in real time within the organization. It can bring true efficiency to life and foster collaboration among employees.

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New Horizons?

Not a problem

May 2017 saw Globant expanding its horizons to geographies and time zones in which it hadn't worked before.

Now, apart from having its centers in the US, Latin America, and Europe, it has a center in India. This meant the integration and collaboration of two big teams, quite new to one another. Among the multiple advantages that Globant acquired by this presence, there were some obvious complications that had to be ironed out in order to keep delivering at the same level as before.

Some of the main challenges were:
- Maintaining the same level of technical expertise across different seniorities
- Maintaining the same delivery processes
- Dealing with different cultural intricacies
- Achieving ALL of the above while working with a team sitting in completely different time zones (8.5 hours apart)

As expected, at the beginning there was a lack of integration across accounts and studios. We needed a solution to bridge these gaps quickly and achieve the final goal of seamless global delivery. The first step towards creating this solution was to find areas which were the underlying cause of failures. This resulted in identifying the need for the following improvements:

- Seamless and sufficient communication across geographies
- Clear definition of Roles and Responsibilities in a distributed environment
- Sensitivity towards working hours and cultural nuances

This is how the Global Delivery Model came into the picture, not only addressing the issues above but ALSO defining different best practices for teams in three main structures:
1- Independent PODS in different geographies
2- Split PODS across geographies
3- Pure staff augmentation or extension in remote locations

The delivery models define the best practices to be followed in each of the three models mentioned. And we also learned to harness the many available tools to shrink the distances between us.

Finally, we held a training session for Delivery stakeholders across locations to talk about this Model. This left us all on the same page. Still as we look ahead, what we need to further improve the model to include more detailed guidance, as well as re-training teams who have started working in distributed environments. But we have already come a long way, with the help of a little international collaboration.

Shivraj sabale
Tech Partner
Quality Engineering Studio

> **With the changes in technological complexity, the leadership task has changed. Leadership in a networked organization is a fundamentally different thing from leadership in a traditional hierarchy.**

Dr. Edgar H. Schein

Source: Schein, Edgar H. *Organizational Culture and Leadership: A dynamic view*. San Francisco: Jossey-Bass, 1985.

EXPERIMENTATION

Our capacity to explore, fail, learn, and build from it.

METRICS

# of experiments run by teams
This metric looks after the production of formal or informal experiments done within a particular project or team.

# of knowledge exposed to the organization
This metric looks at the outcome of the experiments and how the organization is using that knowledge.

TOOLS

Design Thinking
Not post-its. Actual design thinking. Iterations, prototyping, true project explorations that will lead to insights and data to build relevant products and services.

EXPERIMENT
to stay alive!

Magalí Amalla
UX Director
UX Studio

Since a very young age, we understand that we do know what surrounds us and that the steps we take may fail. It is through the failures that we learn, and become stronger, so then the next steps will be more stable.

It is strange that, when we are adults, everything that surrounds us is still part of the unknown. However, we try to get passed it, possibly moved by the fear of making a mistake known, or to avoid the risk of falling into a crisis. What we don't understand is that it is through a crisis that we grow, that we are moved to the next level of living.

It is through the trial and error process that we learn from the mistakes and challenge our own status quo. This is the reason why experimentation plays a fundamental role: it generates transformation spaces and helps us explore our limits, learn, grow, anticipate, and it makes us stronger to face change.

What are the things we can learn when we experiment?

About our consumer: Who he/she is, how does he/she behave and feel, what he/she needs and how.

About the context: What it is like and how it can complement us.
About us: what we give and what we are able to give.

And above all, we learn to transform.

What do we need to experiment?

First, we need a question we don't know the answer. Somewhere from which we can take new questions.

Second, we need a team that is resolved to question, provoke, make mistakes, and that knows how to read the results in order to generate new questions.

What will our culture win from experimentation?
Courage, strength, imagination and optimism.

Experimentation is related to a constant generation of questions. Not only to learn, but to help create better products and services. To be able to walk fearlessly and be better at what we do, simply because we have tried it, failed, and learned from the experience. In this way, we will be more confident and secure to walk into unfamiliar places.

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DIGITAL THINKING

Our common knowledge of digital language and our capacity to apply it (them).

METRICS

# of projects that apply digital thinking
This metric looks after the applicable knowledge of digital thinking outside the IT department.

# of people exposed to the knowledge
This metric looks at how many people have learned about these methodologies and content.

TOOLS

Active Trainings
To incorporate digital thinking in your organization, one training session is not enough; you have to practice and immerse this thinking in your projects. Active training will give you the advantage.

THINK
OUTSIDE
THE BOX

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THE MOST DIFFICULT FIGURINE

to complete the digital transformation album.

So here arises the dilemma: Do you nurture a culture that adopts innovative tools and trends, or do you nurture a culture that encourages behaviors and habits that are conducive to innovation?

Technology will continue evolving and the speed of becoming obsolete is faster every day. So, maybe we should invest time and money in developing the capabilities for being able to be adaptive to a changing context (that involves customers' behavior changes due to new technologies), rather than be left out of the game due to the misconception about the importance of the company's culture to make a sustainable business.

Recent surveys to global executives, revealed that the main barrier to implementing an effective digital transformation is the cultural and behavioral challenges, highlighting three digital-culture deficiencies: functional and departmental silos, a fear of taking risks, and difficulty forming and acting on a single view of the customer.

How do we drive this cultural change?

You have two ways of changing people's behavior: first by showing the benefits of changing and second, by presenting the losses for maintaining the status quo—the answer will depend on how safe or risky that behavior is perceived.

TAKEAWAY!

There are great tools to incentivize behavioral change. Please don't use the tools as a driver of change. Use behaviors to be changed as a base, analyze the maturity of the team towards the internalization of the habits and after set a plan. Try to empower your team by emphasizing a cycle and showing how to do it, assisting them on how to do it and observing how they do it.

Working on behavior changes should start today, BUT be patient because revolutions take time!

Lisandro Pugliese
SR Consultant
Consulting Studio

Globant

> **Human beings have an innate inner drive to be autonomous, self-determined, and connected to one another. And when that drive is liberated, people achieve more and live richer lives.**

DANIEL H. PINK

Source: Pink, Daniel H. *Drive: The Surprising Truth About What Motivates Us*. New York, NY: Riverhead Books, 2009.

Data Centricity

Our capacity to make decisions based on common and objective data.

Metrics

of projects using common data to make decision
This metric looks after the number of projects that use collected data as an input for decision making.

of people exposed to the knowledge
This metric looks at people exposed to knowledge of the training.

Tools

Data Platform
As part of your data strategy, a good data architecture will help your organization organize, curate, and observe common data to make better decisions.
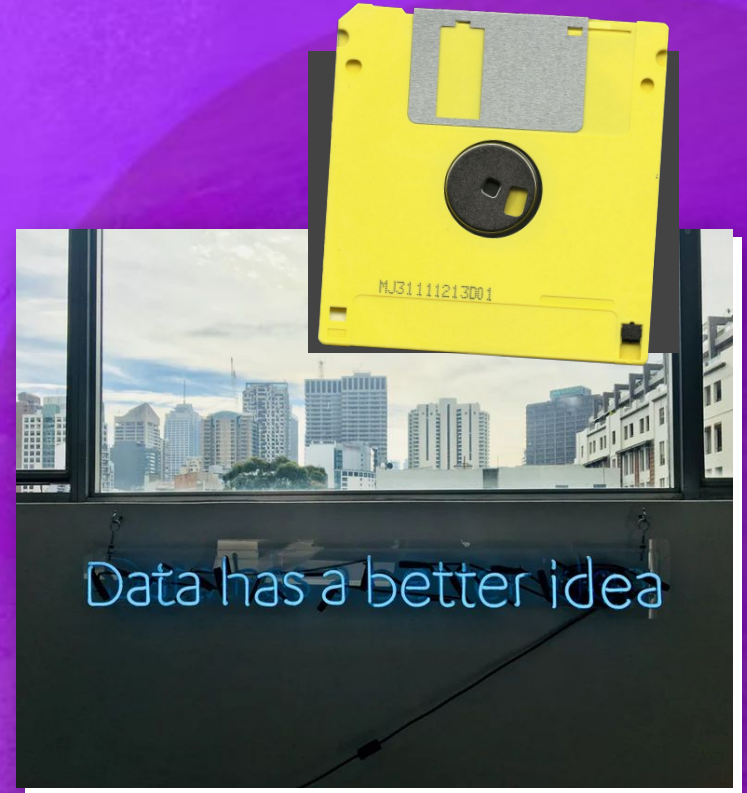
DATA THAT TRANSFORMS

Different types of analysis

Extract from the book
La Ingeniería del Big Data: Cómo trabajar con Datos
(The Engineering of Big Data: How to work with data).

Gonzalo Zarza, PhD
Data Strategy Practice Lead
AI & Big Data Studios

The use of data to extract information or shape knowledge is not exempt from a gradation depending on the degree of sophistication that the situation, the company, and the context allow.

In any case, it is not possible to use the most sophisticated stadiums or apply data strategy without a firm unfolding of the initials. A rather typical reason for failure in analytic incursions lies in beginning to sweep the ladder from below, opposed to the wisdom of the aphorism.

These analytical stages can be defined in the following manner:

Descriptive, because what is relevant is the ability to understand the state of things through a report or visualization, what happened in the past and what factors intervened. Most of the descriptive analysis are limited to simple reports of historical data. Still, they fail in their support for decision making by not allowing us to delve into the different dimensions of business, history, and variables that make up the situation and the current trend.

Predictive, because they try to exploit past events to be able to say what will happen.

This allows highlighting the need for and risks of decisions, as well as generating scenarios of what would have happened with changes in the control variables, the generation of scenarios, and even insights on the relevance of different variables. These elements make this type of analysis very attractive, but without a descriptive basis, its interpretability, areas of uncertainty, and generating hypotheses become tacit, making its application very dangerous.

Prescriptive, because in addition to trying to anticipate the occurrence of certain events, it seeks to elucidate which is the best course of action possible. Historically, in some cases, it refers to optimization algorithms given a perfectly defined problem. More modern approaches are based on recommendations of actions, assignments of scores and probabilities, specification of boundary conditions in which that recommendation is valid, etc.

Assisted, which is not a unit in the same dimension of change as the previous ones, but transversal to all of them, and strongly leveraged in the AI platforms, defined in 4.3.4. The difference in this case is automated decisions for cases of low risk and low value, support for discovering "relevant" events or trends, and other functionalities, but basically responding to meta-analytic questions "what information should I be looking for? What decision should I be considering?"

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User Centricity

Our ability to observe behavior from our users and extract insights.

Metrics

# of projects doing sessions with users
Measure how many times the projects are actually meeting with real users and observing un-biased behavior.

# of projects using this data to make decision
Not only observing behavior, but also translating that into business impact.

# of people exposed to this content
We need to measure how many people in our organization know how to do this so this knowledge is not encapsulated in just a few people.

Tools

User Experience Research
A good innovative team will constantly observe behavior and iterate their experience based on actual facts and evidence of user insights.

THE USER
is your compass!

Josefina Chausovsky
Customer Success
Future of Organizations Studio

I usually interact with clients looking to transform their organizational culture. They generally acquire new technologies, and have a team focused on culture initiatives and enough budget to drive them. However, what happens when metrics don't seem to show all these efforts?

A repeated request several clients make is about the need of a benchmark to compare where they are in relation to the organization. Why am I feeling that buzz in my head when someone approaches culture matters in this way?
There is something about benchmark and culture that doesn't fit.

What happens with clients that are competitor-focused? Many questions become apparent: is the comparison based on size? Am I leaving aside the fact of the industry? What about aging? To what extent am I considering differences in goals, working methodology, vision, and values? Plus, there's also the spice that's added depending where the headquarter is located.
Is it even possible to compare when thinking about culture?

If you want to be at the top in whatever you do, and really do something different, that will probably not arise only from observing your competitors and trying to do better.
Something Jeff Bezos, CEO from Amazon once said, comes to my mind: "If you're competitor-focused, you have to wait until there is a competitor doing something. Being customer-focused allows you to be more pioneering."
That probably explains Uber's success: the result of observing a user needing to earn extra money, and a customer tired of taxi service model.

Then, **what is our compass?**

It is key to focus on users (either your customer or your employees).
What are their needs, their day-to-day constraints? How do they behave?

Observe, do research, contrast hypothesis with insights, experiment, be open to fail, to get feedback, beware of biases and… you will be able to create your own omnirelevant benchmark!

Source: Meadows, Martin. *How to Think Bigger: Aim Higher, Get More Motivated, and Accomplish Big Things*. Lulu.com: 2018. (accessed in Google Books Nov 28, 2018).

"Building a new digital culture is necessary to enable a digital strategy.

Tony Colon
SVP, Success Cloud Product Management & Innovation at Salesforce

Source: Colon, Tony. "The Role of Leadership in Creating Digital Culture." *Forbes*, Jun 7, 2018. https://www.forbes.com/sites/forbestechcouncil/2018/06/07/the-role-of-leadership-in-creating-digital-culture/#1cf6ee6c5283 (accessed Nov 27, 2018).

AGILITY

Our ability to adapt to changes in an efficient and effective way.

Metrics

Adaptability
Our ability to learn and react to changes in the environment, internally and externally, by changing the way we work.

Lead time
This translates into our ability to provide deliverables in short periods of time, avoiding to commit our capacity for too long.

Visibility

Our commitment to keep our work visible, whether that be the workflow or the status of a given item in our process.
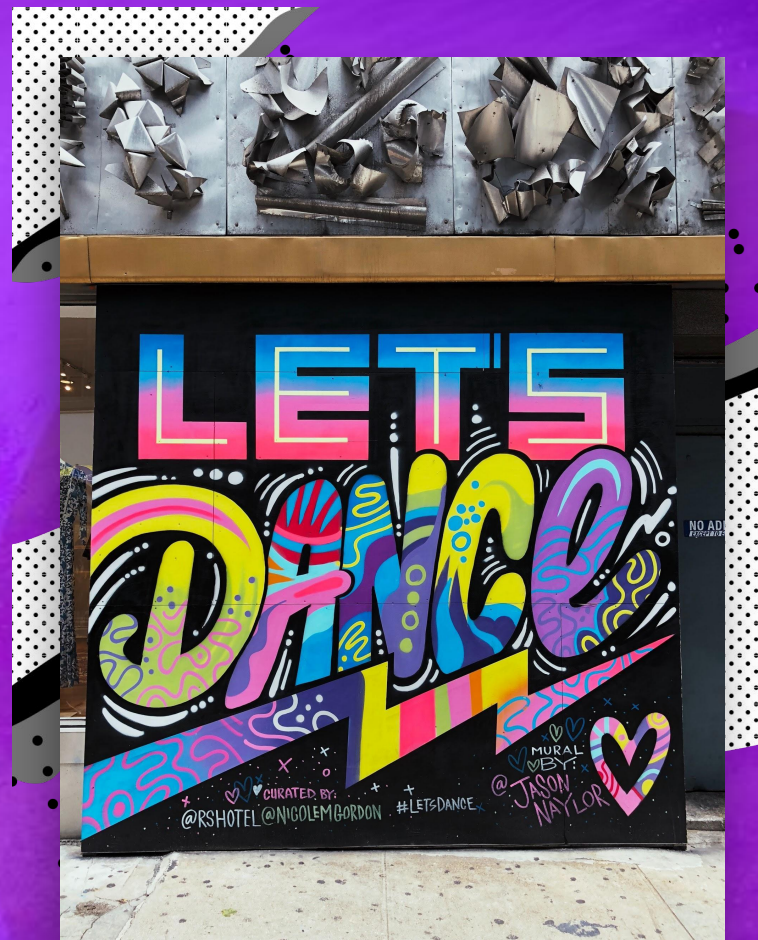
A DIGITAL CULTURE
can boost your leadership

Sanja Licina, PhD
Future of Organizations Studio

It's Sunday night. I know that I should try to fall asleep and get as much rest as possible, but instead I am checking my calendar for the following week. It's a very exciting time of growth for our business, but it also brings on many competing priorities and demands more hours in the day than I am often able to find. During this time I find my team more valuable than ever. Their passion, commitment, and desire to see the business grow is truly second to none. Am I finding enough time to mentor them? To give them insights on how they can do even better? And perhaps most importantly, am I taking the time to truly let them know how much I appreciate them, and the impact they're having on the business?

The desire to make sure my team stays a focal point of my time and energy is something that has followed me my whole career. What has changed in the recent years, however, is the way I can make sure that I am living up be to the leader I want to be. And much like I have turned to technology to keep my personal connections strong through many life transitions, I have found technology invaluable in my professional relationships as well. The right technology has also enabled many more of my colleagues to better connect with my team as well.

No matter the schedule, there are always others interacting with your team members when you are not there, who may have different knowledge, a different perspective, that can be invaluable to the team members' growth and work satisfaction. It allows for even more well-rounded, and more feedback.

Another great benefit of technology is that it helps the information stay organized and easy to access over time. Often we forget that we ate for breakfast, right? So it's no surprise that it's a challenge to remember a constructive conversation you had with someone several months earlier. With the help of technology to keep this information well organized and accessible, now only is tracking developmental progress easier, but also making the tough decisions around promotion and pay raise time.

Now don't get me wrong, I still love to connect live with my teams whenever possible, I think there is great value in that. But I am so grateful that technology has advanced so much that the busy work schedule doesn't obstruct my, or Globant's ability, to create a culture for our employees to empower them to be the best versions of themselves, and to have the means and insights to grow and develop every day.

CURIOSITY

Our ability to seek new ideas and cultivate new thinking.

METRICS

 # new content exposed to the organization
This metric looks after the new content, ideas, and thoughts that the organization is consuming, and the quality of the content.
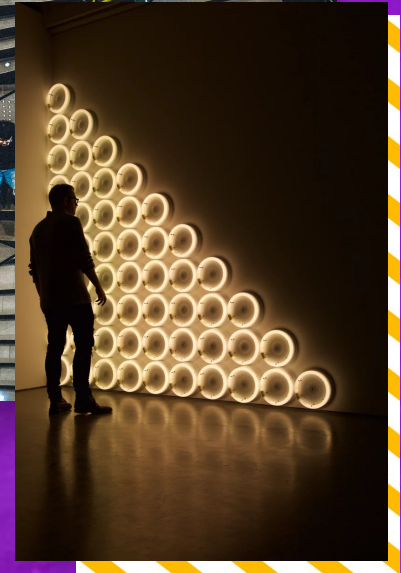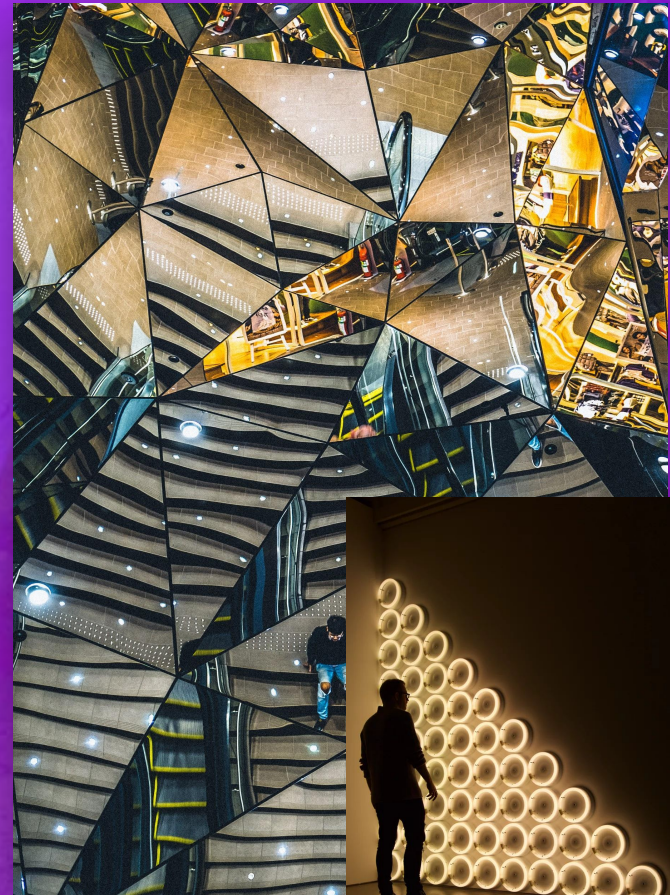
 # new ideas created by the organization
This metric looks at the correlations between the content and the ideas generated by the organization.

TOOLS

Content Strategy
Curiosity sparks when faced by curated and intentional content in front of you that can leave you with a hanging question and a hunger for more.

CURIOSITY leads to change!

Giselle Salgado
Tech Manager
UX Studio

What happens when an organization is structured in divisions that revolve exclusively around their specialties and goals? Their teams grow into experts in their own fields and become masters in process standardization. But they also can remain redundant and siloed, so their initiatives risk becoming restricted and sometimes sterile. This structure corresponds to the most traditional type of organization, called functional, in which hierarchy and specialty are the rule.

Matrix organizations, by contrast, are more flexible in structure, even when they preserve a functional hierarchy model. In this type of organization, multidisciplinary teams are assembled for specific project needs in order to exchange knowledge, shaping more efficient and adaptive project structures. This model resembles cross-pollination—defined as the transfer of pollen from one flower to another with different genetic constitution for mutual enrichment.

In the natural realm, Darwin showed us that evolution of the species is possible, among other variables, by means of adaptation, mutation, and combination. In technology, we see that combination is also core to the evolutionary algorithms that train machines to solve complex problems. So it's safe to say that by consistently merging genes, values, or possibilities, optimization can take place. It only takes curiosity.

In the digital context, we should be systematically encouraged to experiment for the sake of marveling and learning, not only to validate hypotheses or optimize processes. Every opportunity to experiment, to test, and to learn from different disciplines must be seized because therein lies a chance to create something amazing.

A culture that encourages cross-pollination between specialties and assembles operation processes to support experimentation is directly supporting change by establishing a positive atmosphere around creating and, most importantly, failing. And this is key to drive incremental innovation, since every attempt to challenge a theory brings the chance to reveal unexpected outcomes and build from them.

Experimentation is fun, keeps teams engaged, is a safe space to learn, aids decision making, and results in increased self-confidence. Organizations that foster curiosity and adopt experimentation as a customary practice will be more prepared to adapt to the forthcoming technological transformations and will make better decisions. Consistently curious organizations will be guided by knowledge and experience and will depend less on luck.

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There is so much more
you can do with these insights!

We are a team of professional researchers, designers, technologists, and subject-matter experts who put knowledge into action. We create strategy reports and envision scenarios that help build a strategy for the future.

Contact us at **sentinel@globant.com** and take the next step into a more insightful strategy.

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