

# Berkeley Haas

## Case Series

CASE STUDY (B)

**The Berkeley Haas School of Business:  
Codifying, Embedding, and Sustaining Culture**



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## The Berkeley-Haas School of Business: Codifying, Embedding, and Sustaining Culture (B)

*The Berkeley-Haas School of Business: Codifying, Embedding, and Sustaining Culture (A)* case ended with a central question: What should the dean and school do to keep the culture strong and valuable through a transition to a new dean? This B case provides an overview of actions that Berkeley's Haas School took over the 2017-18 academic year to address that question.

### **Ten Transition-Focused Culture Initiatives**

The Haas School's vision included being the “most distinguished-by-culture business school.” This element of the vision took shape through codifying four Defining Principles in 2010, which in 2017 came to be called the Defining Leadership Principles, or DLPs—a change in nomenclature that connected them more to the school's mission of developing leaders uniquely characterized by embodying the principles. The school's four DLPs are:

**Question the Status Quo**  
**Confidence Without Attitude**  
**Students Always**  
**Beyond Yourself**

Prior to 2010, the school's culture had been latent, though present in the school for generations. Ever since Dean Rich Lyons made the decision to intentionally prioritize the DLPs, they had become a strong differentiator among students, prospective students, alumni, companies, and

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Jennifer A. Chatman, Paul Cortese Distinguished Professor of Management and Richard K. Lyons, former Berkeley Haas Dean and William and Janet Cronk Professor, prepared this case as the basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. The preceding A case is available at: [cases.haas.berkeley.edu/case/berkeley-haas-culture/](https://cases.haas.berkeley.edu/case/berkeley-haas-culture/).

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recruiters. For example, surveys of all three of Berkeley Haas's MBA programs<sup>1</sup> and the undergraduate program found that 75 percent of students cited the principles as a strong reason for choosing Berkeley Haas. More than 90 percent of alumni from the past decade were familiar with them, and more than 90 percent cited them as beacons in navigating their careers and lives. **Exhibit 1** is an example of the impact on admitted-student decision making, showing that culture and DLPs had become the single most important factor motivating full-time MBA admits to choose Haas.

Tangible results from the culture strategy in admissions and other areas (e.g., Executive Education client wins, culture-motivated philanthropy, media attention) came from executing on the culture strategy over the 2010-17 period, which was extensive and is described in part (A) of this case. Still, the dean-transition year, 2017-18, presented specific challenges and opportunities.

Based on ideas generated from discussions of part (A) of the case, as well as direct contributions from students, alumni, faculty, and staff across the school, a host of "transition-focused" culture initiatives were identified and implemented. These efforts were aimed at even more deeply embedding the DLPs into the Haas culture. Ten of the most substantial of those initiatives are identified here.

### 1) Carved Into Stone

In May of 2018, the DLPs were carved onto the building in five-inch letters at the front entrance of the school (**Exhibit 2**), with obvious symbolic importance and permanence. The practical importance included their visibility to the thousands of first-time visitors to the Berkeley campus who start their campus tour across the street from the Haas School, at Memorial Stadium. The Haas academic building is the first building on campus to which visitors are introduced, now with the words etched into stone and sharply evident from that introduction point. The idea to carve the DLPs into stone was first raised at a meeting of the Culture Champions/Deputies (see initiative 6 below).

### 2) Pulse Survey

The students led in creating and administering the first "pulse survey" that allowed the school to track consistent feedback over time across all programs and constituencies, develop a baseline in which to measure the culture and provide a resource for stakeholders to evaluate themselves and each other (e.g., 360 view). Feedback prior to 2017 was more haphazard, focusing mostly on alumni awareness and DLP traction in admissions.

### 3) Haas Board Memo

The Board of the School signed and sent a memo, prior to the identification of finalist candidates for the dean search, to the entire Berkeley Haas community (students, alumni, staff, faculty, and campus administration) stating unequivocal support for the four principles as well as their commitment to do a Board review one year into the next dean's term to see how the community did in keeping the culture asset strong. The memo itself is presented in **Exhibit 3**. The Board was eager to sign and send this letter, indicating their substantial and sustained support for the DLPs. It is unclear if this explicit show of support by the Advisory Board would have surfaced if not for

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<sup>1</sup> Haas offers a full-time MBA program, an evening-and-weekend MBA program, and an executive MBA program.

the special nature of the dean transition as well as numerous discussions about codifying and strengthening the culture over the years.

#### 4) Curriculum Inventory

Over the academic year the Assistant Dean for Instruction, Jay Stowsky, led a full inventory of the school's curriculum to map all the places where DLP-related content is delivered. Three documents were produced: 1) A "coding map" that clarifies how, when reading a syllabus, to code whether and in what ways the DLPs were represented in that class; 2) A "takeaways" document with notes regarding each syllabus and a summary table at the end, which includes ways that existing courses can be tweaked to support even better the DLPs and targeted leadership behaviors; 3) A document focusing on what we called "exemplar classes" that were particularly effective at delivering on the targeted leadership behaviors.

#### 5) Teaching Evaluations

Starting with the spring 2018 semester, the school introduced a new question on the teaching evaluation for all Haas classes and instructors: "*This instructor represents well our school's four defining principles.*" (scale 1-7). This question replaced a question on the prior evaluation form that had been producing results that mirrored closely those of another question. Results from this question distinguished sharply the faculty who fully embodied the principles, and especially so in courses where the professor included the principles in course discussions.

#### 6) Deputies Identified

Dean Lyons enlisted twelve culture "deputies" to always be on the lookout for opportunities to strengthen culture and culture communication. Deputies were faculty and staff who showed a passion for the DLPs and who agreed to be informal culture boosters. This was not a formal role, but rather, deputies made a commitment to informally look for opportunities to highlight and use the DLPs in new ways and to encourage others around them to further embrace the DLPs. The deputies—who now use the term Culture Champions—were named early in the year, some through self-identification, some through nominations by others, some through demonstrated deep commitment to the DLPs over the years. Those agreeing to be deputized were all clear that they were not part of a committee, but instead are individually responsible to lead informally. As a small example, each developed their own New Year's resolutions for how they will advance the culture over the following year. The Culture Champions met regularly during 2018 to review strategies and joint collaborative efforts.

#### 7) Full Brand Integration

The school launched a brand effort to integrate the four principles even more fully into the school's identity, both internally and externally (and to help people understand the distinction between culture, which focuses more on shared behavioral norms, and brand, which focuses more on the school's identity externally). One manifestation of this is the shift in nomenclature from defining principles to defining leadership principles. Haas, like many business schools, refers to developing leaders in its mission statement. That the DLPs are directly contributing to the mission was an important integration. Data from the pulse survey helps the school to identify which constituencies of the culture need additional attention to fulfill the truly enterprise-wide aspiration. Thus, the school sought to improve its understanding of how the DLPs were

understood externally, particularly as it affected the brand promise of the school. The school also more deliberately articulated, particularly externally, how the culture differentiated the school.

**Exhibit 4** presents the model behind how the school thought about the role of culture differentiation.

#### 8) Culture Case

The (A) case was published and also used in many ways to continue to build the culture including: teaching it in Haas classes, supporting it being taught at other schools, and providing it to recruiters. Another way that the case was valuable was in providing a vehicle for telling the foundational origin story of the four DLPs. This was essential because, by 2017, a large fraction of Haas staff, for example, were not working at the business school in 2010 when the effort was formally launched, and therefore had no sense for the context and rationale. An excerpt from part (A) on how the school converged on those four principles is in **Exhibit 5**.

#### 9) Faculty On-Boarding

This important process was revamped to include the culture case, The Berkeley Haas School of Business: Codifying, Embedding, and Sustaining Culture (A), which documents the culture's origin story and other culture-related information such as the culture's impact on improving admissions yield, and the role culture played in teaching evaluations. In a typical year the school hires approximately four tenure-track/tenured faculty and about seven professional faculty (Adjunct Professors and Lecturers). Most professional faculty, due to their professional background, have direct experience with organizations that are intentional about culture, either their own as entrepreneurs or in various companies as leaders. Tenure-track faculty—especially those who join Haas right after graduating from their Ph.D. program—typically have never been part of an organization that is intentional about culture, so this material is particularly eye-opening for them.

#### 10) Culture Leadership Fund

Culturally relevant fundraising was also prioritized during the transition-year culture effort. The school launched a Culture Leadership Fund that it pitched to many of its closest donors and friends. Not only did the fund spark many conversations with important constituents, it also surpassed its target, raising just over \$230,000 to be used for additional, culture-strengthening initiatives over subsequent years.

These ten initiatives, while considered key, constituted only a partial list of the changes made over the 2017-18 year. Coupled with the selection of a new dean who conveyed commitment to the culture and knows Berkeley well (Ann Harrison got her undergraduate degree from Berkeley and was on the faculty of the College of Natural Resources for a decade), these developments were intended to secure the culture's future at Berkeley Haas.

## Process for Strengthening Over the Prior Year

Execution on these ideas during the transition year was viewed as fundamentally important to the continuity of the Berkeley Haas culture. The progress that was made during this critical year benefitted from a process devised early, largely through the work of the Culture Champions (noted in initiative 6) above. One of the early ideas was to direct an MBA team in the school's experiential-learning program to focus on the school itself to address—with the guidance of the McKinsey consultant who worked with the team—what Haas could do over the year to support its culture. The pulse survey noted above emerged directly from that work, as did emphasis on driving culture deeper into teaching evaluations and into how the school articulated its brand.

The Haas Board was also deeply involved in identifying and supporting the ten key initiatives. The Board memo (noted in initiative 3) was just part of it. The Board also did a project over the summer of 2018 on the Haas brand and how the DLPs could connect to it most effectively. The Chair of the Haas Board, Jack Russi of Deloitte, was also quite supportive of several changes that, without the Board's support, might have been difficult to execute (e.g., driving the DLPs into the stone along the roofline of the front of the building). The Board's active approach was stimulated in part by an invitation from Dean Lyons in spring 2018 to Professor Chatman, as a culture expert, to lead the Board at one of their meetings through a structured exercise to consider how they could help in the transition to embed the DLPs more completely.

Students were heavily involved over that year as well. Beyond the experiential-learning team, the students contributed ideas that came out of class discussions of part A of this case. For example, they offered ideas on how to connect the promise of the DLPs more deeply into the school's partnership with recruiters by being explicit about what leadership behaviors the school excel at and how recruiters can probe for them in interviews.

Communications is another distinct dimension of the process the school invested in heavily over the year. For example, the school took care to include explicit reference to the DLPs and their importance in the job description released to the public to launch the dean search process. The school also dedicated one of the year's three issues of the alumni magazine, *BerkeleyHaas*, to the school's culture. Former Dean Lyons made repeated reference to the importance of the DLPs in sharply defining the school relative to competitors in his dean's columns in the alumni magazine. The vision statement of "making the school the most defined-by-culture business school" appeared repeatedly across an array of internal media.

## Case Discussion Questions

- 1) Of the ten initiatives reviewed in the case—effectively, the school’s answer to the central question of part (A)—which do you feel were most important, or likely to be most effective? Which were least important/effective? Why?
- 2) What were the advantages and disadvantages of the Board’s memo that it wrote to the community in 2018, articulating their commitment to the four DLPs and that they would conduct a culture review one year into the next dean’s term to gauge how the school was performing on this metric?
- 3) In what ways is the new dean’s job easier regarding the DLPs than that of the prior dean? In what ways is it harder?
- 4) Are there multiple important dimensions through which a leader (in this case a business school dean) can have an impact that need not touch on culture? That is, is there enough room for an incoming leader to distinguish one’s leadership without fundamentally changing an organization’s culture?
- 5) Reviewing all the efforts at the culture execution at Haas, are there elements of the culture that you feel can still be strengthened? Or benefits as yet insufficiently captured?
- 6) How likely is it that the school would have embarked on this level of effort to strengthen its culture if there were no leadership transition occurring? What might organizations who don’t have an immediate need to cultivate a culture do to build one?

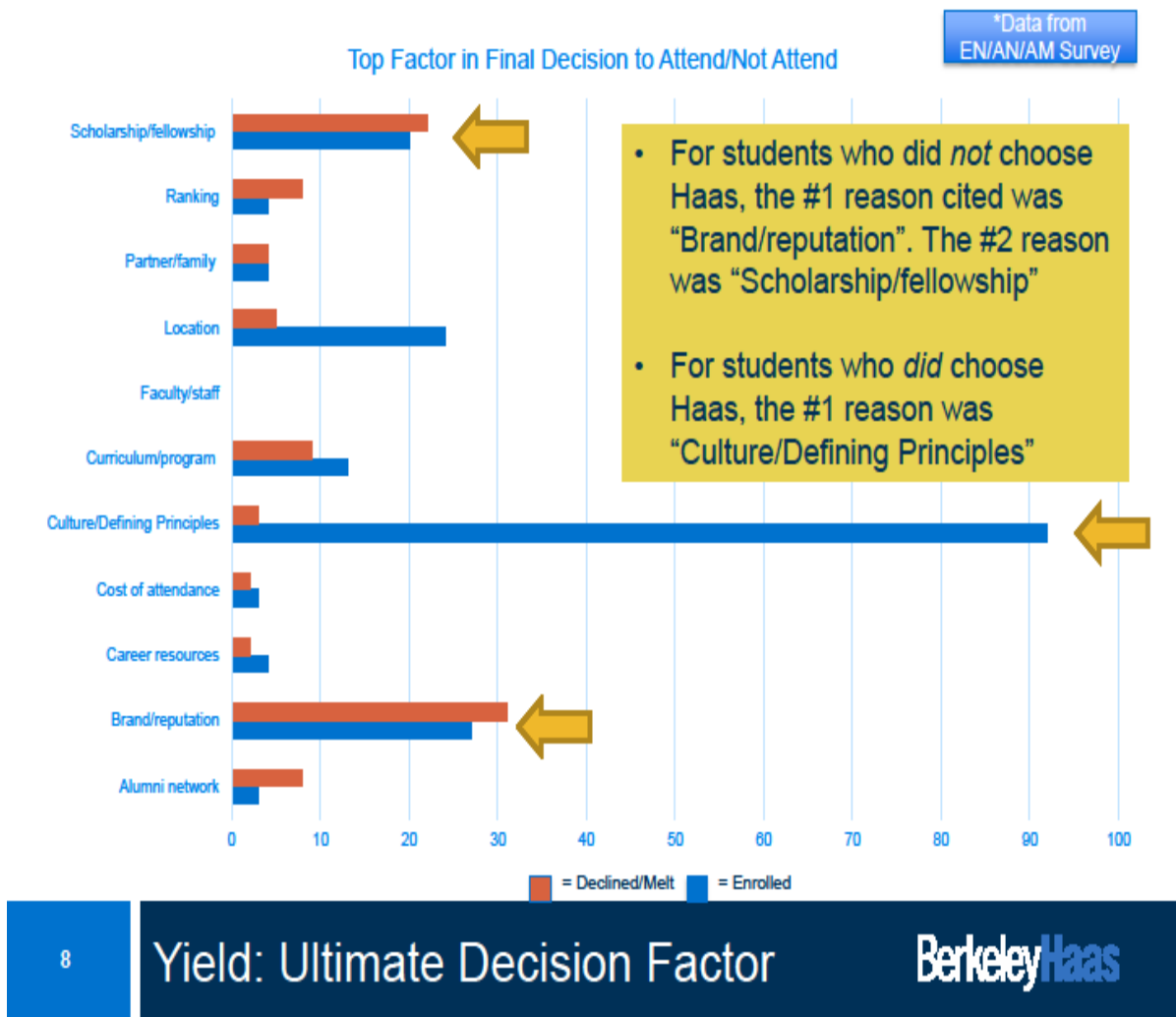
## Exhibits

- 1) Admissions: Bar graph showing that culture/defining principles is cited as the #1 factor by MBA admits for choosing Haas over other programs.
- 2) Carved in Stone: Photo showing the Defining Principles along the roofline at the Haas School entrance.
- 3) Board Memo: Email from the Haas Board to the community expressing their commitment to keeping the culture strong, including a review one year after succession.
- 4) Culture Differentiation: Diagram the school used at the outset to ensure that the Defining Principles hit all three targets of a “unique selling proposition”: true, valued, different.
- 5) Codifying Culture: Content from (A) case.



**Exhibit 1** “Culture/Defining Principles” Becomes the #1 Decision Factor

Data from 2017 survey of all people admitted to the Haas School’s full-time MBA program. As is typical of top schools, those admitted are generally admitted to 2-4 other strong schools. Even among those who do not ultimately choose Haas, response rates for this survey are roughly 90 percent, so the data are robust.



Source: Berkeley Haas.



**Exhibit 2** Carving the DLPs “in Stone” along the School-Front Roofline

Work was completed in May 2018. Final engraved lettering was highlighted by gold-leaf paint.



*Source: Berkeley Haas.*

**Exhibit 3** Board Email sent 3/16/18 to all Faculty, Staff, and Students

Dear Haas School Community:

In advance of identifying the next Dean of the Haas School, we as Haas Board members wanted to express our strong support for our school's four defining leadership principles: *Question the status quo*, *Confidence without attitude*, *Students always*, and *Beyond yourself*. In our judgment, these principles and the culture they shape are important to the Haas School's future and a source of competitive advantage for the school.

In making this statement we do not intend to suggest that the Haas School's culture should not evolve over the next decade. It can and must. Our point is rather that there remains much opportunity to strengthen and evolve the culture without needing to change the four principles themselves (e.g., evolving how the principles connect our students to companies, or how the principles play out in terms of specific behaviors).

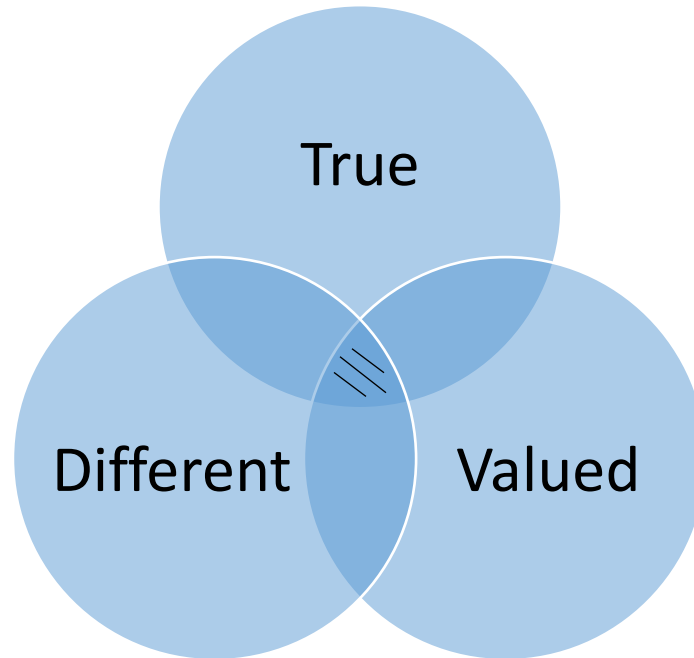
To do our part, we also want the community to know that we plan in the Summer of 2019 to do a "Culture Review." We want to make sure that we as a community are following through on a level of ownership of the culture and principles that they deserve.

As has been noted, a vision statement with respect to culture that has been animating us for a long time is that "Haas will be the most distinguished-by-culture business school." Let's work together to continue to advance that future.

Regards,  
The Haas Board

Jack Russi, BS 82, Chair  
Rich Lyons, BS 82, Dean  
Margo Alexander, BS 68  
Stuart Bernstein, BS 86  
Dick Blum, BS 58, MBA 59  
Bill Brown  
Tim Campos, MBA 10  
Tony Chan, BS 74  
Ranjana Clark  
Donna Wills Colson, MBA 94  
Rick Cronk, BS 65  
Mike Gallagher, BS 67, MBA 68  
Bill Hasler, Dean Emeritus  
Leo Helzel, MBA 68  
Steve Herrick, BS 60  
Rick Holmstrom, MBA 88

Ted Janus, MBA 94  
Liong Seen Kwee, BS 74  
Cathie Lesjak, MBA 86  
Matt Levin, BS 88  
Carol Meyer, BS 69, MBA 71  
Connie Moore, MBA 80  
Larissa Roesch, MBA 97  
Sabrina Simmons, BS 85  
Marc Singer, BS 86  
Ned Spieker, BS 66  
Eleni Tsakopoulos-Kounalakis, MBA 92  
Tom Tusher  
Jerry Weintraub, BS 80, MBA 88  
Brett Wilson, MBA 07  
Hsioh Kwang Wu

**Exhibit 4** Culture Diagram – Unique Selling Proposition

Unique selling propositions (USPs) satisfy three criteria: They communicate an offering that is True, Valued, and Different. For culture, being True is most fundamentally about execution—driving cultural norms and values through all business processes, actions and communications. Being Valued at a high level requires identifying behavioral norms that are as relevant as possible to the success of the enterprise. Being Different is, among the three, perhaps the most difficult to achieve: enterprises too often choose values/principles that in themselves have little or no differentiating value.

*Source: Berkeley Haas.*

## Exhibit 5 Codifying Culture in Four Defining Principles

From the earliest stages of the culture strategy in 2008-09, dean Lyons and his team felt that the culture needed to stem from essential elements of the existing culture, rather than to create some ideal that would likely feel inauthentic to people. He added: “The notion of codifying what is already here is part of finding, rather than creating, our voice—moving from an implicit culture to an explicit one.”

During this process of evaluating what they had, the team determined that their culture stemmed from three things: “Place, People, and Culture.” *Place* meant being a part of the greater university, regularly among the world’s top five universities and located in the San Francisco Bay Area where innovation and entrepreneurship flourished. *People* meant that Berkeley-Haas had always been a good fit for leaders who put fresh ideas to work in their organizations. *Culture* meant that Berkeley-Haas had a differentiating culture where its students tended to question the status quo, possess confidence without attitude, and commit themselves to larger causes. Once the team identified aspects of its unique culture, they leveraged some of those elements to articulate what they then called the Defining Principles.

Lyons explained: “Our four principles have always been the Berkeley-Haas heartbeat, but we had never articulated them before, and had never used them to deliberately shape our students and graduates.” The preamble of the Defining Principles stated: “We have long lived by principles that define and differentiate us. These include excellence and inclusion, centerpieces for all of U.C. Berkeley. As part of a world-renowned university, we are inspired and expect to achieve excellence in all that we do. Differences in thought, too, are a Berkeley hallmark—our broad mix of cultures, backgrounds, and perspectives has always led to more creative outcomes. For the Haas School, there are four principles that, taken together, sharply define us relative to our peers.” That preamble was important: It made room for leaving over-used words like excellence – which have no power in themselves to differentiate – off the “defining” list.

1. **Question the Status Quo:** We lead by championing bold ideas, taking intelligent risks, and accepting sensible failures. This means speaking our minds even when it challenges convention. We thrive at the world’s epicenter of innovation.
2. **Confidence without Attitude:** We make decisions based on evidence and analysis, giving us the confidence to act without arrogance. We lead through trust and collaboration.
3. **Students Always:** We are a community designed for curiosity and lifelong pursuit of personal and intellectual growth. This is not a place for those who feel they have learned all they need to learn.
4. **Beyond Yourself:** We shape our world by leading ethically and responsibly. As stewards of our enterprises, we take the longer view in our decisions and actions. This often means putting larger interests above our own.

*Source: Berkeley Haas Case Series.*