Excellence in Practice 2022

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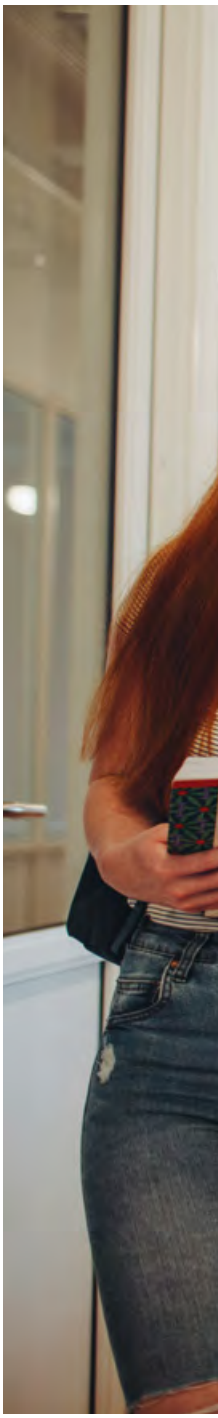
Kuehne+Nagel / LIW

Culture transformation to drive performance in a changing world



Traditionally, the logistics industry has been male-dominated, transactional and hierarchical. The keys to success were expertise, process, precision and timely execution. Kuehne+Nagel has excelled in the industry for the last 130 years and continues to be a leader in the sector, providing supply chain solutions to its customers globally.

In recent years it was becoming increasingly clear that the stability that could formerly be relied on was being replaced by rapid change and complexity. New factors included environmental demands, digitalisation and labour market changes. Many logistics organisations struggled to adapt, and when the COVID-19 pandemic hit the pressure intensified.

In 2019 Kuehne+Nagel embarked on an organisational transformation, a journey towards being the best company to work for and the best company to do business with. This journey necessitated a cultural change, putting the employee and the customer at the heart of all their activities. A series of initiatives started, introducing innovative activities whilst safeguarding the core strengths of Kuehne+Nagel.

Leadership and Culture

Kuehne+Nagel's leaders recognised that the culture change they wanted to deliver would need to be driven by a new style of leadership, that 'what got us here would not get us there'. The challenges of increasing complexity, uncertainty and the dramatic impact of the COVID-19 pandemic on supply chains created a 'perfect storm' to test the leadership skills and structures, innovation and agility within Kuehne+Nagel.

Kuehne+Nagel engaged LIW to help them develop a continuous learning organisation and to energise the culture transformation by evolving the TRANSFORM programme. From the start, they decided to role model the behaviours they wanted to develop in the business, working in an agile and experimental way, with regular reviews to reflect, learn and adapt the approach to constantly optimise the learning experience.

2022 Excellence in Practice AWARDS
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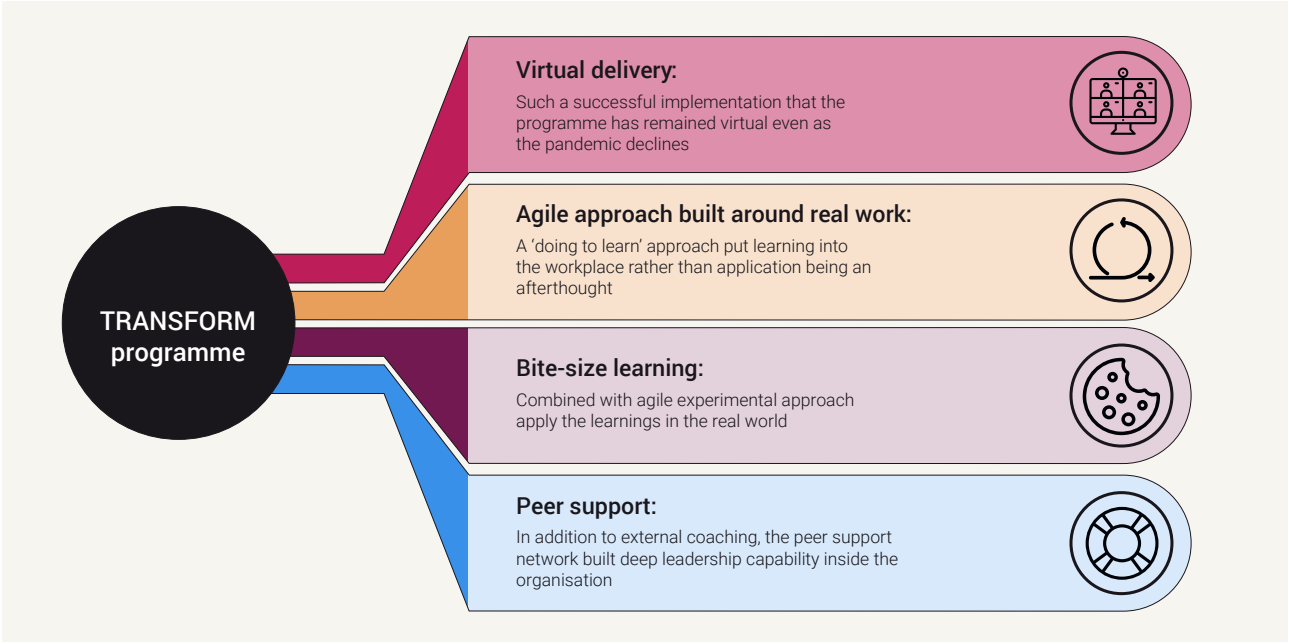

Fig 1: The Transform Programme

The Programme

Together the Kuehne+Nagel and LIW teams defined the new style of leadership and set out the objectives in a Design For Impact™ document which became the reference point for all their design work.

"The success of Kuehne+Nagel depends on great leaders who encourage and inspire transformation, develop a culture of customer-centricity and build a supportive environment for high-performing teams and individuals."
Gregor Herr, Programme Lead within Kuehne+Nagel

The team started working first on a reimagining of the core development programme for senior leaders, TRANSFORM, which had been running inside Kuehne+Nagel for 10 years. They needed to realign the content and delivery to match the leadership aspirations of the cultural transformation defined in four objectives: fostering self-awareness, to inspire and engage, achieving results with and through others and developing an entrepreneurial mindset.

They identified four key elements which would define the programme and enable leaders to learn and experiment in real time, in order to embed new habits within the daily work.

The Transform Programme

When the pandemic caused a lockdown in many countries, the board of Kuehne+Nagel committed to continue to invest in leadership development to further the culture change.

The TRANSFORM programme evolved from its original face-to-face format of workshops, learning sprints and coaching, into a radio format with virtual workshops and micro-learning radio shows, with an emphasis on experimentation in day-to-day work, supported by small group 'pod' sprints, and coaching. The show was fast-paced, but with important time for reflection. The frequency of connection was increased with informal 'coffee connects' and peer coaching to support all participants in building relationships despite being abruptly disconnected from their offices.

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The radio format offered a welcome change for participants feeling 'zoom fatigue' from their day-to-day work. And they were encouraged to go for a walk or sit somewhere away from their desk while they listened and participated, in order to get a fresh perspective.

During the 'hot house' high intensity workshop the participants had the opportunity to gain insights on theory and practical learning through a custom simulation role play, working both individually and in groups to reflect and learn.

Senior Sponsorship and Alignment

The programme was sponsored by CHRO Lothar Harings and supported by the board of Kuehne+Nagel. The leadership team at Kuehne+Nagel have been clear that the transformation agenda is owned by the business, not by HR or just the senior leadership team. As a result, the solution is strongly aligned to the business and the real challenges and opportunities faced by participants, for example the integration of a real business project, guest speakers from the business playing an active role in sessions, and individual and peer coaching supporting application. This focus enables participants to connect their learnings to their real business role.

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Results

The programme had some dramatic impacts as well as delivering some more subtle changes to the participants and their teams. The overwhelming message from leaders was of a recognition of the importance of people management in their role. This may not seem dramatic, but this was an organisation which had for generations been driven by transactional operations – getting things done. These leaders had been focused on the end point more than the journey, yet through this programme they embraced a new approach and experienced the huge benefit of being released from being 'the boss who knows all the answers' to becoming the leader who coaches and supports others, who listens to all the voices in the room and shares decision-making and accountability.

Business outcomes have been significant and in line with the objectives of the programme:

- increased employee and customer engagement
- increased focus on customer service
- improved productivity
- development of a coaching culture
- increased revenues and profitability
- greater accountability and decision-making pushed deeper into the organisation

"While the programme of TRANSFORM is over, the journey of transformation continues for all of us and that's a very exciting prospect" **Transform participant**

Participants recorded a 62% uplift in achievement of action plan goals due to the learning and coaching they received through TRANSFORM.

The programme recommendation scores were high and continued to improve over time as the design and delivery team continually reviewed, improved and enhanced the experience.

Individual stories reflect this leadership transformation: the Head of Sales Control in Europe transformed his team into a Centre of Excellence while supporting team members who were fearful of job cuts and an uncertain future. He used the learnings from TRANSFORM to build a culture of trust and collaboration, shared key models to engage the team in defining their own future and was rewarded with higher productivity and staff who became accountable for delivering results and were happy at work.

"At that moment the atmosphere changed and we went from 7x me to 1x me – we actually became a team" **Transform participant**

62%

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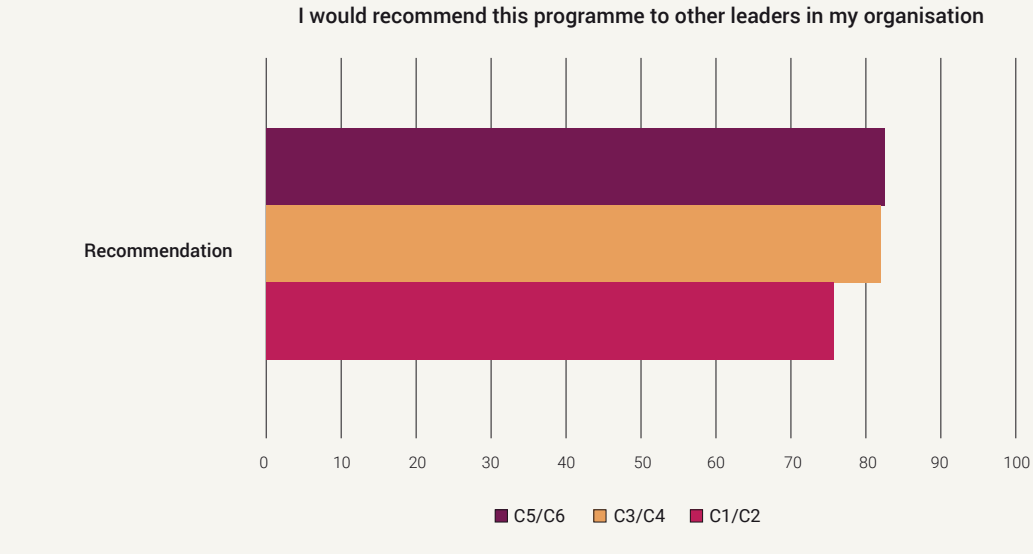

Fig 2

Reflections

One powerful reflection is that when faced with an unexpected and massive shock in the form of a global pandemic which intensified pressure on the global logistics industry this organisation did not retreat from its leadership development commitments. Instead Kuehne+Nagel doubled down on its learning agenda, seeing that empowering their leaders was the most effective way to enable the business to survive and thrive in the face of this threat.

The design partnership of Kuehne+Nagel and LIW embraced the challenge and were able to develop a solution which was innovative, inspiring, and engaging; enabling participants to connect and learn in a virtual setting, not previously envisaged.

Furthermore, even in a busy organisation, making time for experimentation and reflection always pays back in terms of personal growth, with employees developing as leaders who can support and enable the growth of their teams to deliver business impact. There can also be plenty of fun along the way too!