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Training People, Inspiring Growth

Culture Overpowers Strategy at Work

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Every day, I work with organizations who have well-thought out strategies to move their organizations in the direction of their vision. Countless hours have been spent analyzing markets, customers and the competition.

A thorough analysis of internal strengths and weaknesses, along with external threats and opportunities has resulted in a detailed listing of big hairy audacious goals and actionable plans.

Unfortunately, most companies fail at respecting and understanding the power of culture to execute flawlessly and innovate consistently. Joseph Grenny, author of "Influencer" and co-founder of Vital-Smarts, defines a COS (Cultural Operating System) as the written and unwritten rules that guide employee behavior and influence the bottom line.

According to Mr. Grenny, the culture of an organization can account for one-third to one-half of its growth and profitability. Consider the organization that wants to implement Lean strategies to reduce variation, significantly improve productivity and reduce costs. The company invests significant time and money training all of the employees on 5S, value stream mapping and the five whys. While there are immediate positive returns, the momentum begins to fade and employees can be heard by the water cooler saying, "I told you this was just another program."

Working with organizations to make real, long-lasting, sustainable cultural change has been my greatest reward and challenge at the same time. Helping turn a top down, autocratic culture into a bottom up, team-based organization is no easy feat. While I'm no wizard, I will say it takes brains, heart and courage. Vital-Smarts has identified four skills organizations must have to create strong, positive cultural operating systems.

The first is self-direction. This means that employees in organizations demonstrate initiative, take ownership, make decisions and hold themselves personally accountable for their behaviors and results. To achieve this, two things need to happen. Employees need to understand the "why" behind the strategy and secondly, there needs to be a sense of urgency to move away from status quo. Facts and figures are not nearly as compelling as stories that connect at an emotional level. If you are a leader who wants to make cultural change a reality, invest in developing your storytelling skills.

A foundation of trust fosters a willingness to act, take risks and try new things. If I know that mistakes will be met with a smile and an enthusiastic "how fascinating," I can relax knowing that I have the support I need to learn new skills and change old habits.

I saw a t-shirt recently that said "If only closed minds came with closed mouths." It made me smile. In reality, to accomplish a culture that drives positive change, we need robust dialogue and open communication. Even the whiners and complainers on a team deserve an opportunity to state their opinions. In his book, "The Five Dysfunctions of a Team," Patrick Lencioni discusses the many pitfalls associated with artificial harmony and the meeting after the meeting.

I believe a key to creating and sustaining cultural change is an environment of robust dialogue, constructive differing, information sharing and transparency. There are no sacred cows and politics takes a back seat to saying what needs to be said with respect and understanding.

Information and feedback flows up, down and across organizational boundaries. As Mr. Lencioni states in his book, weigh-in = buy-in. Every person needs to have a voice and believe that voice was heard, considered and understood. Mr. Grenny sees open dialogue as the second skill that contributes to better decisions implemented more quickly with less resistance.

He also believes that when accountability requires position power, very little accountability actually happens. Most organizations have fairly large spans of control and most managers have other jobs to do besides leading their team. A strong COS has universal accountability which is the third skill; clear expectations, shared values and the ability to hold one another accountable for behaviors and results without blame or excuses.

I often tell managers that if you want to set a bunch of rules and try to enforce them with a top-down structure, you're going to need a lot of police. What is necessary is for everyone to have the ability to hold everyone accountable. We are all in this together; shared goals, shared challenges, shared rewards. All have the responsibility to give and receive feed-back, offer coaching and ensure that everyone is rowing the boat together in the right direction.

Lastly, Mr. Grenny speaks to the need for influential leadership. If you've ever tried to quit smoking, start exercising or change your diet, you know how difficult it can be to change old habits into new patterns of thinking, feeling and behaving. The comfort of what I know is more desirable than the fear of the unknown. Leaders need to understand the forces that drive human behavior so they can influence change from the inside out. Using reward and punishment are short-term motivators that will not sustain lasting change.

Cultural change requires clear expectations, open communication, ownership at all levels, mutual respect and accountability, skills training to close performance gaps and above all, character and integrity. People need more role models than critics. When your do/say ratio is high and organization systems align with the values and vision, a strong cultural operating system will support even the most demanding goals and help you execute your strategy with great success.

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