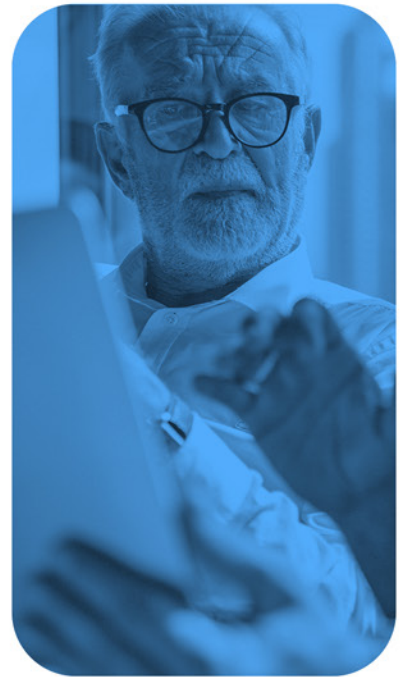


TEN BUILDING BLOCKS OF CULTURE

*You don't get the culture you declare.
You get the culture you build.*



THE PERFORMANCE PATHWAY™

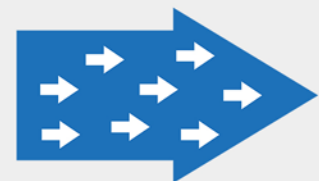


Leaders create the culture that drives the behavior that produces results. *Strategy* determines an organization's direction and plan of action. *Culture* determines an organization's level of engagement, energy, and execution. Once strategy has been developed and communicated, success becomes a matter of execution, and the quality of execution depends on the strength of the culture.

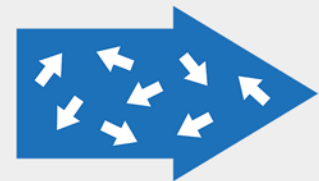
Culture is **what people believe, how they behave, and the outcomes they produce**. Culture is not just a poster that hangs on the wall. Written statements help clarify the culture, but documents don't build culture, people do.

When people in a company share a deep commitment to a common culture, their effort and energy are focused in the same direction and a major precondition for success has been achieved.

In a company with a strong and effective culture, people work together for the success of the business. They communicate and collaborate. They solve problems. They innovate and pursue continuous improvement. They manage change. They execute and produce results.



In a company with a less-than-effective culture, people and business units are not aligned. They pursue different and often conflicting agendas. Communication and teamwork are poor, problems do not get resolved, and people resist change. Consistently achieving goals is a struggle.



The competitive advantage of high-performance companies is the work environment they create. They win because they intentionally build a culture that energizes the behavior called for by their strategy.

Execution happens at the intersection of culture and strategy.

TEN BUILDING BLOCKS

In order to build a strong and effective culture, you must pay careful attention to ten building blocks. The building blocks are not one-time events or special initiatives; they are ongoing organizational disciplines that are the foundation for a high-performance work environment.

1. Culture Blueprint

A Culture Blueprint makes clear the core beliefs, key behaviors, and desired outcomes that are vital to the success of your organization. The Blueprint does something else that is critically important: It links culture to strategy. If you ask for behavior in your strategy that is not supported by your culture, you will struggle to execute. When it comes to culture, the standards must be clear.

2. Leadership at Every Level

A strong culture—and the results that follow—are initiated and sustained by effective leadership. Not just leaders at the top, but leaders at every level of the organization. Department managers, team leaders, and front-line supervisors all play a critical role in building the culture. Leadership isn't a difference-maker, it is *the* difference-maker.

Setting an example is essential. There is great power when leaders say, "This is the culture we want," and then people in the organization experience the culture in the attitude and behavior of leaders. The bottom line: You don't get the culture you proclaim; you get the culture you *practice, promote, and permit*.

Effective leaders create a culture of accountability and challenge behavior that is not in alignment with the standards. They understand that if you permit it, you promote it. Less-than-effective leaders fail to do this. They avoid accountability conversations.

3. Communication

It is the responsibility of leaders to communicate the culture clearly, consistently, and relentlessly. Communicating the culture requires an intentional plan. It is a process, not an event. It is the result of the cumulative impact of many culture conversations—some formal and some informal. Leaders must work the process and invest the time to develop a cadence of communication. Creativity and persistence are essential. You won't get a culture that you don't talk about.

4. 20 Square Feet

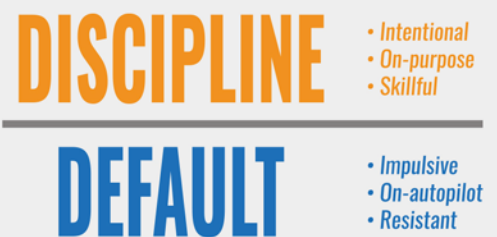
Building an exceptional culture requires intentional effort from everyone. 20 Square Feet is a metaphor that expresses the reality that each person in the organization has a sphere of ownership. The culture of your organization, and thus your ability to execute your strategy, is determined by the cumulative impact of how people manage their 20 Square Feet. There is no such thing as a culturally neutral attitude or action.

It is essential to educate employees on what culture is, why it is important, and what their role is in building it. People often don't understand their impact, and they view culture as a top-down initiative that corporate leadership or HR is responsible for developing. Success happens when everyone takes ownership of their 20 Square Feet.



5. Discipline-Driven Behavior

When people operate with discipline in their 20 Square Feet, they work smarter, team better, learn faster, communicate more clearly, and are more resilient. Consistent, disciplined action is the foundation for success for anything in life. However, being disciplined does not come naturally. It must be taught and learned.



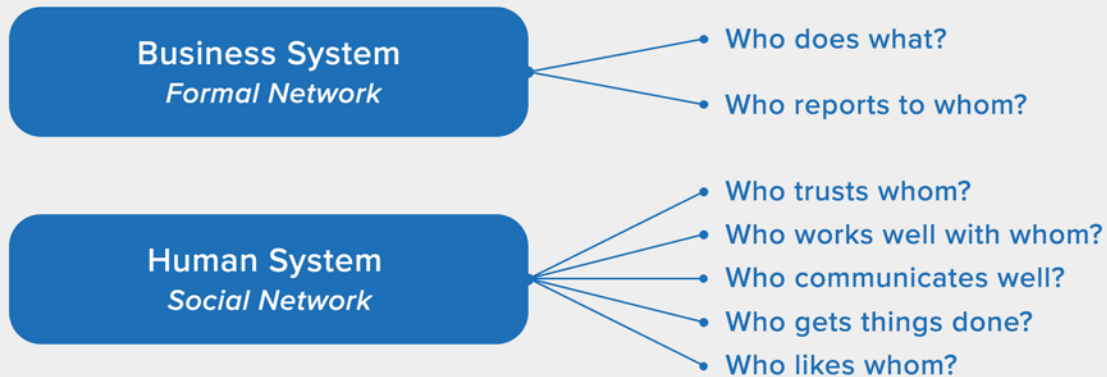
When people operate on default they get hijacked by the power of impulse, caught in the gravitational pull of old habits, or stuck in the ruts and routines of the comfort zone. Default behavior requires little effort or energy. It produces average results at best.



A common default trap is BCD: Blame, Complain, Defend. Too often when things don't go right people blame someone else, complain about the situation, and defend their own behavior. BCD never solved a problem, achieved a goal, or improved a relationship. It is a culture-killer.

6. The Social Network

The social network of your organization is a powerful force that either supports the culture or undermines it. Culture is deeply interpersonal. It is transmitted through the network of conversations and interactions that take place every day. When people work together, they talk about their job experience, their colleagues, and their customers. If the culture is weak, conversations become a place where people gossip and complain about the work environment. If the culture is strong, conversations reinforce the behavioral standards and hold people accountable for action that is not consistent with the culture.



7. Measure What Matters

Some management teams are preoccupied with the numbers. KPI's are an important tool, but building and leading a high-performance culture requires much more than simply tracking performance against goals, finding a variance, and then demanding better numbers. That isn't leadership. It's just accounting with a bad attitude.

Great leaders understand the relationship between performance indicators (*the dashboard*) and performance drivers (*the engine*). Indicators don't produce performance, they measure it. Therefore, great leaders focus on cause-and-effect. They track the numbers and focus on helping people improve the decisions and actions that produce the numbers. You can't make the car go faster by staring harder at the speedometer.

Culture metrics should be an integral part of your dashboard. If you have developed a Culture Blueprint, then behavioral standards are clear and can be measured. For each core value in your Blueprint the metric is simple and straightforward. It is the answer to this question: "How consistently do people in our organization practice the core value of _____?"

Culture surveys can be used to collect data from multiple departments, but keep in mind that surveys should not be used to replace conversations.

Team conversations about the culture are powerful. They provide people the opportunity to discuss what kind of work environment they are experiencing and how behavior is affecting performance. Team conversations also provide people the opportunity to reflect and get feedback about how their behavior affects the culture and their colleagues.

8. Who You Hire and How You Onboard

It is essential that you hire people who align with your culture. Hiring talented/experienced people who do not fit with your core beliefs and behaviors is a recipe for disaster. Your recruiting and hiring process should put as much emphasis on evaluating for cultural fit as it does for evaluating competency. Is it easy to do? *No*. Is it necessary? *Absolutely*.

It is also important to have a robust and effective onboarding process that communicates your culture to new hires and clearly explains behavioral standards and expectations. Far too many companies spend far too little time acclimating new hires to the culture. When you place great emphasis on culture, values, and behavioral standards during onboarding, you get new hires oriented in the right direction right from the start. It is particularly effective if senior leaders communicate the culture to new hires, discuss personal experiences, and share compelling stories.



9. Who You Promote

Who gets promoted sends a very strong message about what is most important in your organization. The criteria for promotion should be threefold: expertise, performance, and living the values. Resist the temptation to promote talented people who produce results but don't live the values. If you promote people who don't align with the culture, four things happen:

1. You reinforce behavior that is inconsistent with the culture.
2. You send a message to committed people that the culture doesn't really matter.
3. You lose credibility as a leader.
4. You don't get the culture you want, and performance suffers.

When you promote people who are skilled, productive, and live the values, you build and strengthen a high-performance culture. You send a clear message that what matters is culture and performance.





10. Recognition and Rewards

It's a basic truth of organizational performance: *You get what you reward.* People are motivated to behave in ways for which they receive positive reinforcement, and they tend to avoid behaviors for which they receive negative reinforcement. If you align your recognition and reward system with the behavioral norms of your culture, you will strengthen and reinforce the culture.

It is vitally important to acknowledge employees for their contribution to the success of the company. When people know they are valued and appreciated, they feel better and perform better. When people are recognized and praised for living the culture standards, they begin to see how much the culture matters, and they make the behavioral norms a priority.

Keep in mind that some rewards are formal, while other rewards are informal. Both are important building blocks of culture. Research shows that employing a balance of formal and informal recognition is an effective way of keeping employees motivated and engaged. In addition to formal rewards, great leaders make it a habit to catch people doing things right and say "thank you." Employees want to know that they have done a good job. They especially want to know that you noticed.

