THE
INTENTION IMPERATIVE

FIVE LEVERS OF CULTURE

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There are five levers you can use to create, change, and/or maintain culture. Intentional leadership is about doing culture by design, not default. And as you'll read in the various organizational examples in this book, successful leaders aren't just clear on what they want their culture to be; they are also specific about what they do to create and maintain it.

Much has been written about creating culture, and much of what has been written is obtuse. You need tools, and the basic mechanics of culture, I've discovered, can be explained by the five levers. Levers help lift or move heavy loads, and creating or changing a culture can be quite a heavy undertaking. Your most powerful tools for shaping culture are found in these levers.

Lever 1: Philosophy

Imagine your organization's culture like a pyramid. At the bottom of the structure is the foundation, the sturdy, large bricks that will have to carry the weight of everything above. The irony is that this is the level that is the most esoteric: How do you do business? What is the philosophy of your organization? What does it believe and what does it strive to do—beyond making a profit?

What do you value? What is sacred and immutable? What matters most, not just in what you do, but also in how and why you do it?

Some organizations call this a mission statement. Others paste their values in list form on a plaque. The end result is less important than the process of discovering your organization's governing philosophy. Dr. Qubein's philosophy for High Point University was simple yet powerful: "At High Point University, every student receives an extraordinary education in an inspiring environment with caring people." That's its goal—that's what everyone in the organization is there to do.

But I can't say this any better than how air-cargo giant FedEx puts it on its website for all to see:

> To provide the level of service and quality necessary to become, and to remain, the leader in the air express cargo transportation industry, Federal Express has developed a unique relationship with its employees, based on a peoplefirst corporate philosophy.
>
> Founder and CEO Frederick Smith determined to make employees an integral part of the decision-making process, due to his belief that "when people are placed first they will provide the highest possible service, and profits will follow." Resulting from this principle is the FedEx corporate philosophy: People-Service-Profit. These three corporate goals form the basis for all business decisions.

The basis for all business decisions.

That's why philosophy is Lever 1. It is the beginning of the conversation with your organization, your executive team, and your employees. It sets forth the rules of the game, while at the same time explaining the conditions for victory. Here's where we want to go, but here's how we're going to get there.

The "but" is important. You can become the leader in air-express cargo in a number of ways, just like Uber became a leader in ride sharing and Enron became a leader in . . . well, whatever it was they sold. Being the leader, the best, the industry standard, is the goal, but the way you get there is your philosophy. And a philosophy acts like a guardrail—it keeps an organization and its people on a path that adheres to a set of core values. From the CEO down to the janitor, all members of the organization are expected to conduct business within these guardrails. Departure from the specified path might not necessarily mean termination, but it should be condemned and corrected.

And that's the second part about philosophy: enforcement. Enron was infamous for having its corporate values plastered all over its headquarters in Houston. Except there was no enforcement, especially at the top of the company.

The intentional leader not only helps devise these values, which often can be a reflection of her leadership style, but she also must embody them. Ronald Reagan was known for never removing his jacket while in the Oval Office out of respect for the presidency. Do you think any of his employees dared to remove their jackets and roll up their sleeves in a meeting? It's often simple actions like that that enforce a standard of behavior and conduct in an organization. If the leader does (or doesn't do) it, then the rest will follow.

Find your philosophy, then hold to it.

Lever 2: Hiring and Firing

Jessica Herrin, founder of Stella & Dot, said, "Shaping your culture is more than half done when you hire your team."

But not everyone thinks about their culture when hiring. Instead, they think about hiring the best person.

I've learned the hard way—as many managers have—that the term "best person" is an ambiguous phrase.

There have been times when I overemphasized the skill set an applicant brought to the job but never considered the cultural mind-set.

Put simply, the best leaders hire for culture, not just function. The reason that an organization's philosophy forms the base of the culture pyramid is because all other decisions flow from that, particularly the decisions to bring on (or remove) personnel. These days, the hiring practices of companies have become something of a competition over who has the most unconventional methods. Google is famous for throwing odd brainteasers at applicants, such as "How many golf balls can you fit in a bus?" Clearly, they want someone who is smart and can think on their feet.

One of the better interview tactics I've come across was from a friend of mine. The normal interview questions had ended and the hiring manager—in this case, the boss himself—started to shoot the breeze with the applicant. The topic turned to fantasy football, at which point the applicant's face lit up.

"Oh, you play?" asked the boss, setting the trap.

"I sure do," replied the applicant, walking heedlessly into danger. "I'm in four leagues right now."

Next!

If you know anything about fantasy football, then you know that there's a certain amount of management one must do to field a decent team every week. It's not an onerous amount of work—unless someone is managing four different teams. The boss could tell right away that this particular guy would spend some time at work managing his teams—the sheer number of leagues he was in plus his obvious exuberance for the game made that abundantly clear.

The point is that you hire people who are going to match your organizational philosophy. Whatever values you hold dear as a leader should be in evidence within your workforce. If you have your employees spend a certain number of hours a month doing philanthropic work, then you want to hire people who find fulfillment in those types of activities. If you value collaboration and a team that communicates well, then you don't hire the loner who wants to work from home—no matter how good at the job she might be.

A leader might be required to exhibit the values in front of his team, but his team is more likely to reflect those values if they hold them as well. Of course an applicant desperate for a job might well say anything to get one. One is reminded of the movie Ghostbusters, where Winston Zeddemore, looking to join the plucky group of supernatural exterminators, replies to a long list of ridiculous questions about whether he believes in such nonsense like the Loch Ness monster or the theory of Atlantis with: "If there's a steady paycheck in it, I'll believe anything you say!"

You need to be a little cleverer than that, like my friend was with his question about fantasy football. Again, it comes down to talking with each applicant, learning directly from them how they look at the world, how they view your company, and what role they think they can play. People will tell you who they are, if you let them.

Both Zappos and Amazon have a "pay to quit" program. On the surface that sounds ludicrous, but the reasoning is sound: the faster you help an employee decide they aren't a cultural fit, the faster you can find someone who is.

Of course, to hire and/or fire based on culture, you need to understand the important attributes of someone who will be predisposed to add to rather than detract from your culture. Letting team members interview a potential new hire to see if they think the applicant is a fit is an old idea, but it's still helpful for hiring for culture.

Lever 3: Education and Training

Education changes what people think, and training changes their ability to do. Both are about learning and are important in shaping culture, but I'd put my biggest bet on education.

Hiring the right people who fit your culture doesn't help much if they don't understand how culture impacts their work. How overtly do you talk about culture in new employee orientation and training? Most companies don't spend any time on it because they aren't clear on what they want their culture to be. So they can't very well teach it.

James Hill, guest and team member experience director at Cumberland Farms, said: "The leader has to explain what culture is, why culture is important, how to achieve the desired culture, [to] be honest with the team regarding bumps and bruises that will need to be absorbed along the way of creating [the] desired culture, and, most importantly, hold himself and others accountable to deliver on it daily."

At Texas-based USAA, a diversified financial services group, all employees undergo a four-day cultural orientation. They are also asked to make a promise to provide extraordinary service to their customers, members of the military and their families.

Why is this noteworthy? Dr. Nido Qubein put it well: expectation without education equals frustration.

Education, as cited in all the case studies of this book, is always at the top of the list for getting people up to speed quickly. Not just on what they do but also why they do it—and how culture needs to direct their efforts.

Lever 4: Incentive and Reinforcements

In the world that was, salary and benefits were the twin pillars of any organization's incentive structure. The calculus was simple: people will work more if you give them more. A good salary and decent benefits still top the lists of what employees value most (things haven't changed that much), but they no longer suffice. A survey from Johns Hopkins University found that 95 percent of candidates believe that a company's culture is more important than compensation.6

This is eye-opening, if a bit vague. Each one of the candidates probably defines culture differently (although, I think that for many they mean the atmosphere or personality of their place of work), but the point is clear: for a company to attract and retain good people, compensation isn't enough. So what is enough?

Let's look at Gallup's "State of the American Workplace" survey. According to the results, when asked what attributes were most important in deciding whether to work for a company, respondents picked "the ability to do what they do best" as their number-one response. The second most popular response was "greater work-life balance and better personal well-being."7

Again, employees are looking for a culture that allows them to succeed, not just on the job but also in other areas of their lives. A job that gives them satisfaction while there, but also gives them the ability to achieve success in their personal lives. Some cynics might read this and conclude that these candidates simply want to work fewer hours, but that's missing the point. Remember, the first response was entirely related to the job itself: the ability to do what they do best.

People want to find success on the job. They want to know their contributions make a difference and that they are valued. Rather than throwing money at the problem, the intentional leader looks for ways to get out of the employee's way. There are two words for this: autonomy and acknowledgment.

With autonomy, we can return to our discussion about the forces that have made culture such an important topic. Today's employees have the tools to be successful. They resent cultures in which they are watched like inmates in a prison. Probably one of the most egregious and invasive technologies developed in recent years is keystroke technology, which can track an employee's typing. Who would work for a company that has so little trust in its employees that it monitors their keystrokes?

Companies must be mindful of limiting employee procrastination, but that's also why they should be more mindful of their hiring policies in the first place. The growing desire of many employees to be able to work from home (or from anywhere) isn't so that they can binge-watch The Walking Dead (well, for most, anyway). It's so that they can manage the other parts of their lives that don't adhere to a simple nine-to-five formula—kids get sick, pipes spring leaks, and weather can be crummy. In the world that was, the manager would listen to these real excuses, shrug, and say: "Be at your desk." But in the world that is, the manager should say: "No problem, you can work from home."

Next is acknowledgment. Bonuses, raises, and greater benefits are all acknowledgments that an employee is doing good work, but they aren't the only ones and they're also not necessarily the most successful. People seek recognition and praise from their peers—this has been known for millennia. Psychiatric studies have shown that people will

go to great lengths to avoid humiliation or embarrassment. Likewise, they will feel a swell of pride and happiness when they receive praise and encouragement. A gold watch for a job well done doesn't cut it anymore. A leader singling out an employee during the all-staff meeting, listing the great deed the employee did or the awesome sales figures she has accrued—now that's acknowledgment, and it's that type of praise that employees now crave.

Lever 5: Communication and Meetings

"You're on a need-to-know basis and right now you don't need to know."

This little military-inspired cliché was the modus operandi of the world that was. The thinking at the time was that employees only needed to be let in on matters that concerned them. Everything else was "above their pay grade."

Except no one likes to be playing the violin while the Titanic sinks. The idea that workers will be content to continue their work without any information regarding the true state of affairs is, like the Titanic itself, from a different era. Today's intentional leader strives for a culture of transparency within the organization, one that communicates where the ship is headed (and why the destination might be different than it was). This doesn't mean that all information should be made public—in a world of Twitter, that is just asking for trouble. Rather, it means that organizations should try to keep their employees informed as much as possible.

One of the greatest transformations that has affected the business world is the shift from a top-down hierarchical structure to one where there is a team-like atmosphere. And at any moment in a game, every member of the team knows (or should know) the score. They know the game plan. They know how well the other team is playing. And they know what they need to do—how they can make a small but significant contribution—to achieve victory.

That's the mentality that governs the intentional leader—the members of the team must know the score. This requires transparency and a commitment to effective and constant communication between all levels of the organization. Moreover, as we saw with Gloria and her interaction with her employees, it requires that the leader is visible and available to the employees. We're back at the necessity of conversation—the one-toone interaction between boss and worker, leader and follower.

There are innumerable ways of going about this. The one you decide on is entirely your choice. Just remember that your employees will figure out the score soon enough. They'd rather hear it from you.