

# Jim Clemmer's **Leader Letter**www.clemmergroup.com

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Is your team or organization experiencing:

- Rising "snicker factor" about values
- Diminishing discretionary effort
- Rising absenteeism
- Turnover of top people
- Declining customer service
- Resistance to change
- Lower trust and teamwork
- Slipping quality levels
- Reduced health and safety



These are symptoms of the cultural malaise or dysfunction many teams and organizations are experiencing today. How many apply to your team or organization?

In their study on "The Power of Three," Willis Towers Watson identify three intertwined elements critical to a high-performance culture:

- Engaged -- attachment to the organization and willingness to give extra effort.
- Enabled -- a local work environment that supports productivity and performance.
- Energized -- individual physical, social, and emotional well-being at work.

The study reports, "We found that companies with the combined impact of all three exponential engagement factors can generate operating margins three times higher than companies with low engagement, and nearly two times higher than companies with high engagement alone."

What's the magnetic field of your culture? Do you attract and retain or repulse and repel top people? How do you know?

This issue focuses on a few of the many facets of culture development. Most high-performance cultures foster leaders at all levels. They harness the exponential power of an engaged, enabled, and energized workforce. This powerful force can be the key driver of agile and change adaptive organizations. This is leading in the key of E.

Too many cultures create the perfect habitat for moose. Silence kills. Cultures that discourage open conversations, rigorous debates, raising touchy issues, pointing out serious problems can kill people. Cultures averse to bad news also kill innovation, initiative, and engagement.

An organization's culture is its brand. Are you the leader of your brand? Is your culture on your brand wagon?

You and your team don't have to be poisoned by a toxic culture. It's easy to feel victimized by a dysfunctional culture. But you have a choice. Strong leaders significantly shift their local team or organization's culture by applying leverage in the right places. Like an annual physical check-up, leaders need to periodically do career check-ups.

Unlike the weather, strong leaders do more than just talk about team or organizational culture -- they change it.

## This is Critical to Building an Agile, Change Adaptive Organization

"Workers are more adaptive and optimistic about the future than their leaders recognize." That's a key conclusion of a major study by Harvard Business School's project on Managing the Future of Work and the Boston Consulting Group's Henderson Institute. The study encompassed 11,000 lower income and middle-skill 11 countries. They found, "the two groups perceived the future in significantly different ways." Workers didn't share their leaders' change anxiety and "revealed themselves to be more eager to embrace change and learn new skills than their employers gave them credit for."



The authors of <u>Your Workforce is More Adaptable Than You Think</u>, report that "workers are seeking more support and guidance to prepare themselves for future employment than management is providing." They identify five ways leaders can provide stronger change leadership:

- 1. Don't just set up training programs -- create a learning culture.
- 2. Engage employees in the transition instead of herding them through it.
- 3. Look beyond the "spot market" for talent.
- 4. Collaborate to deepen the talent pool.
- 5. Find ways to manage chronic uncertainty.

Leading change was a key focus that emerged from <u>reader feedback</u> on the main topics over 600 readers said they'd like to see in my latest book project. It's been a vital focus for many of our <u>leadership team retreats</u> and <u>culture development</u> work.

Here are a few key leadership lessons learned and steps you can take:

- Increase shared leadership throughout your entire organization around the critical concept that "leadership is action, not position."
- Strengthen coaching skills to help managers "<u>leadershift</u>" to better energize, engage, and enable their team members.
- To get partnering behavior, treat everyone like partners. Share financial and other "confidential" information openly so everyone can see how his or her efforts contribute.
- Ask frontline service providers what systems and processes would better help them serve internal
  partners or external customers. Get their involvement in prioritizing the areas to be changed and
  improving them.

- Use focus groups (a cross-section of frontline staff) to test new management directions before making grand announcements to everyone. Even if you press on against the advice of the focus groups, you'll have deeper insight on how to face the issues the new direction may raise.
- Systematically collect internal and external complaints and trend them to see which ones come up most frequently. Get input on the top priorities and get frontline people participating in addressing them.
- In small group meetings ask for "the dumbest things we do around here," "biggest barriers to reaching our goals," "major implementation issues we need to address," "pet peeves," "dumb rules and forms," "things that drive you crazy," or the like. List each point. Cluster the similar points into major groups. Identify those things you directly control, can influence, and don't control at all. Prioritize the things you control and get ideas/volunteers/plans to address them. Do the same for things you can influence. Discuss how you can all accept and let go of the things you can't do anything about.

To build agile, change adaptive organizations, the action of leading -- taking initiative, seeing new possibilities, encouraging and supporting, reframing, harnessing the winds of change to grow forward, and overcoming helplessness with hopefulness -- needs to be broadly shared by everyone everywhere, regardless of formal roles or positions.

Are you underestimating and failing to engage key change drivers in your organization?

# **Moose Mess: Boeing's Culture May Have Caused Those Tragic Crashes**

In the wake of two fatal crashes of Boeing's new 737 Max jets, Harvard Business School professor and author of a new book on creating psychological safety in the workplace, Amy Edmondson, published an article on Boeing and the Importance of Encouraging Employees to Speak Up. She writes, "The accidents and the resulting media attention together create a real wake-up call for Boeing... what's required, however, is more than operational fixes. It is nothing less than a full organizational culture change."



The Seattle Times investigative report found, "a company that once encouraged its engineers to raise questions or concerns about programs and designs began to do the opposite." An engineering leader said, "there was a theme of just follow the plan, and that was code for don't bring me bad news." This is a classic moose-on-the-table problem. Like elephant-in-the-room or 800-pound gorillas, it's an atmosphere discouraging real conversations about major barriers of problems. It's a far too common problem. And a big blind spot for many leaders who think they're open and transparent.

Is your team or organization multiplying moose in your meeting rooms and workplaces? Click on <u>Do You Have a Moose Problem?</u> to complete a short quiz and find out.

#### **Tips to Reduce the Moose**

- When you've made a mistake, admit it. Talk about what you're going to do to correct it.
- Use a safe and anonymous process to identify, prioritize, and address key moose issues.
- Moose hunting is a playful approach to touchy issues. If you suspect people aren't being open during a discussion, ask, "Is there a Moose-on-the-Table we need to talk about?" or "Am I smelling a moose around here?"
- Get a facilitator outside of your team to run focus groups, conduct confidential interviews, or do a survey of your team or organization to identify and prioritize Moose issues.
- The worst thing you can do is identify Moose issues and then not deal openly and effectively with them. You're better off to not ask if you aren't going to follow-through.
- As leader, when you're trying to build a team consensus or get the team's input, hold back your opinion until you've heard from everyone.
- Brainstorm potential issues by asking for ideas on the "dumbest things we do around here," "biggest barriers to reaching our goals," "major implementation issues we need to address," "pet peeves," "dumb rules and forms," "things that drive you crazy," or the like. List each point. Cluster the similar points until you have 5 7 major groupings or clusters. Identify those things you or your team directly control, can influence, and don't control at all. Prioritize the things you control and get ideas/volunteers/plans to address them. Do the same for things you can influence. Discuss how you can all accept and let go of the things you can't do anything about.
- Use 360 feedback to get unfiltered feedback from direct reports, peers, your boss, and other key internal or external partners or customers.
- These can be three powerful feedback questions: What should I/we keep doing? What should I/we stop doing? What should I/we start doing? Ask these questions at meetings/retreats, after you've completed a performance review with a direct report, during operation reviews, informal chats about how things are going, breakfasts/lunches with team members, etc.

A culture of fear or weak two-way communications is a major blind spot for leaders. Many organizations have risk management programs focused on financial, legal, or safety risks. But rarely do companies understand the deep and serious risks of their closed communications cultures. Are you flying into turbulence?

#### Is Your Culture Powering or Souring Your Brand?

Imagine trying to cool your house in the middle of a tropical heat wave when you've left all the windows and door wide open. That's brand management in many companies. Companies spend big dollars on research, marketing, and promotions to attract customers. But poor service experiences don't match the brand promise. So, customers drift away while marketing spends more money to attract more customers.

Brand management is an inside job. Disengaged servers don't produce engaged customers. External brand management is multiplied or minimized by workplace



culture. That culture ripples out from the leaders. They brand themselves and the workplace.

A leadership brand is built on a foundation of reciprocal trust. Twenty years of research by Great Places to Work found that "employees who trust their managers give their best work freely, and that extra effort goes directly to the company's bottom line. Managers who trust their employees allow innovative ideas to bubble up from all levels of the company... together people working in high trust environments deliver far more value." Russell Investment Group tracked the annualized stock returns of those high-trust cultures claiming: "Those companies performed more than three times better than the general market."

Building a high trust, high energy, and higher performing culture has many moving parts. It can get pretty complex, but a few keys do stand out:

- Internal culture and leadership brand must be in alignment with the external brand -- despite how marketing might try to position the company.
- An unfiltered feedback system keeps leaders from confusing their desired culture with their actual culture.
- Three to four core values are the bedrock of culture. These must be central to hiring, promotions, performance management, succession planning, HR systems, recognition, and mergers/acquisitions, to transform values from rhetoric to reality.
- It's a virtuous circle -- better leaders make better cultures and better cultures make better leaders. The opposite -- vicious circle -- is also true.
- Most companies with enduring greatness have a culture of both purposeful profits and profitable purpose.
- Most organizations believe they have communication problems. What they really have are leadership problems. Team members see the messages loud and clear.

Imagine your high-performance workplace with a powerful, high-trust culture aligned with brand management. As Tony Hsieh, CEO of Zappos (now owned by Amazon) says, "your culture is your brand." Are you the leader of your brand? Is your culture on your brand wagon?

## Are You Being Poisoned by a Toxic Culture?

During a retreat with the leadership team of a large healthcare organization, we were running a little behind schedule so I said we'd move fairly quickly through the Responsibility for Choices principle in our leadership discussion. Fortunately, an astute participant piped up with, "Jim, I think we need to talk about our 'blaming and disclaiming' culture. We routinely blame everyone else for our problems and give up trying to solve them. We blame the unions, the physicians, our board, those paying the bills, the patients and their families, other agencies, the government, and so on. We're disempowering ourselves and failing to provide leadership to our organization."



He was absolutely right. We then had a very productive discussion about how leaders need to shift from wallowing and following to leading. The team agreed to stop groaning and start growing their leadership.

This example came to mind as I read Annie McKee's *Harvard Business Review* article <u>Keep Your Company's Toxic Culture from Infecting Your Team</u>. She describes three signs of unhealthy cultures as: 1. Pressure to cover by downplaying aspects of yourself to fit in, 2. hyper-competitiveness with "masculinity contests," and harassment, and 3. pressure to overwork and make constant connections.

Annie suggests leaders "create a resonant micro-culture where you have the most chances of succeeding on your team." This starts with taking care of yourself and "figure out what you need in order to be most effective -- and happy -- at work." She advises repairing relationships "because dysfunctional cultures drive us to behave in ways that harm relationships." Building on this foundation, Annie recommends forming a coalition with a few others (possibly including your boss) where you "take deliberate steps to articulate shared values as well as shared rules of engagement to guide everyone's behavior."

Annie's article brings two key points to mind: 1. Culture is multi-layered. An organization has a macro-culture with many micro-cultures. Leaders can significantly shift their local team or organization's culture by applying leverage in the right places. 2. Like an annual physical check-up, leaders need to periodically do career check-ups.

Here are six key questions to <u>test your career health</u>:

- Can I be real at work?
- Am I growing with change?
- Have I become a victim?
- Is there a moose-on-the-table?
- Is work a four-letter word?
- Do I have a job, career, or calling?

As Annie concludes, "it's all too easy to blame a dysfunctional company culture for our misbehavior. But you don't have to be subject to the toxicity that characterizes your organization. You can do something about it by using your emotional intelligence skills and choosing to act in ways that you can be proud of."

#### **Further Reading**

- The Victimitis Virus: Undermining and Giving Away Our Power
- <u>Use This 10 Point Checklist for a Leadership Check-Up</u>
- 8 Vital Steps for Executive Teamwork and Organization Development

#### **Tweet Reading: Recommended Online Articles**



This section summarizes last month's LinkedIn Updates and Twitter Tweets about online articles or blog posts that I've flagged as worth reading. These are usually posted on weekends when I am doing much of my reading for research, learning, or leisure. You can follow me on Twitter at https://twitter.com/JimClemmer

My original tweet commenting on the article follows each title and descriptor from the original source:

> Five factors from 360 research showing what the top 10% of performers did to be recognized by their manager.

What Does Your Manager Really Want? How To Become A Top Performer, Joe Folkman, Forbes

Self-development and coaching others are impossible without giving and receiving feedback.

There Is No Feedback Fallacy: Understanding The Value Of Feedback, Jack Zenger, Forbes

Agile organizations are teams in a people-centered culture with rapid learning and fast decision cycles enabled by technology and a common purpose.

The Five Trademarks of Agile Organizations, McKinsey & Company report

## Read *The Leader Letter* in Weekly Installments



The items in each month's issue of *The Leader Letter* are first published in my weekly **blog** during the previous month.

If you read each blog post (or issue of *The Leader Letter*) as it's published over twelve months, you'll have read the equivalent of a leadership book. And you'll pick up a few practical leadership tips that help you use time more strategically and tame your E-Beast!

## Feedback and Follow-Up

I am always delighted to hear from readers of *The Leader Letter* with feedback, reflections, suggestions, or differing points of view. Nobody is ever identified in *The Leader Letter* without their permission. I am also happy to explore customized, in-house adaptations of any of my material for your team or organization. Drop me an e-mail at Jim.Clemmer@ClemmerGroup.com or connect with me on LinkedIn, Twitter, Facebook, or my blog!

Live, learn, laugh, and lead -- just for the L of it!



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