DTD Episode 19 Show Notes

Learn How Leaders Create a Business Culture

Lessons from Roger Connors and "The Oz Principle"

In the book, "*The Oz Principle: Getting Results through Individual and Organizational Accountability*" authors Craig Hickman, Tom Smith, and Roger Connors write brilliantly about the leader's unique role in creating a culture. By your title and position you are the most powerful force.

The authors illustrate in a very simple but powerful fashion how a culture is created.

Leaders create:

- Experiences

- Which create beliefs among your employees

- These beliefs drive actions

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- And actions create business results, either desirable or undesirable.

Here's a quick example to illustrate the phenomenon.

An employee raises her hand in a team meeting and says she has an idea that will help the company save $500 per month. Her leader's response to this initiative will create a belief in her mind and in those of the other employees in attendance at the meeting.

If the leader responds with excitement and says, "That's great news! Let's implement that right away! Thank you! If anyone else has similar ideas please share them!" the experience will be positive and generate a belief that it is good to be innovative and take initiative. Saving money is valued. This belief will drive actions that are consistent. The result will be a team that seeks out ways to save money and take initiative.

If, on the other hand, the leader responds with anger and says, "Why are you wasting your time on things like that? That is not your responsibility. You need to focus on your job." The belief generated in this scenario is that taking initiative is not valued and can get you in trouble. As a result, each team member will focus only on his or her own job. When they see quality issues or problems that affect customer service or profitability, they will keep their heads down and their mouths shut. And you can figure out how this impacts the organization.

You see, as a leader, you are creating experiences for your employees throughout each day, moment to moment, that generate beliefs. Are you intentional about the experiences you are providing? Are the experiences aligned with the stated mission and vision of the organization? Will they generate the results you desire for your business?

What you choose to focus on, ignore, reward, tolerate, celebrate, express anger or frustration over, all send messages to your team about what you value and about what defines success in your organization. And each of these experiences ultimately drive results.

Your team will take action based on the beliefs they hold. The resulting culture either will support you in your efforts or will stand in the way of progress.

If your actions throughout the day are not consistent with the message you give in your annual rah-rah speech to the team, the daily actions win every time.

So, pay close attention to the experiences you are creating for your team throughout each day. Work to make them align with the kind of culture you need to support your mission.

As illustrated in the tale of two banks in Episode one of this podcast, a culture can make or break you. It goes beyond having the right people.

Let's look at some other real life examples of how drama can be generated if a culture is not aligned with your business objectives. Even when you've hired a person with the right skills and personality, employees will transform to fit the norm of a team. I have seen similar situations over and over as I begin my work with clients:

- **Example #1:** A new employee is hired for her high energy and up-beat, positive attitude. Her leaders feels encouraged that she is exactly what his business needs to turn things around. The negativity will be a thing of the past once this little ray of sunshine hits the door.

  Then, three weeks in she is acting exactly like the rest of the team. What happened?

- **Cause:** Her team oriented her to "Here's how things work around here."   It is human nature to want to fit in. She was thrown to the wolves and it was sink or swim time.

- **Diagnosis:** You cannot expect a new person in your business to bear the responsibility of transforming an entire culture, especially if you expect that transformation to happen spontaneously. The expectation had not even been communicated to this employee. She was carrying the burden of her leader's hope without knowing. She was also lacking the power of communicated leader support that is absolutely required to enact change in a culture.

  Leaders, you are most able to enact change. You can certainly enlist the support of members of your team but it must be done overtly and with a promise to support them as they do battle on your behalf.

- **Example #2:** A new employee is hired to do billing for a large company. She has a great background and comes highly recommended. She works there for 1 ½ years then goes out on a stress leave. Everyone is shocked. Fellow employees take over only to find stacks and stacks of unprocessed paperwork representing tens of thousands of dollars.

- **Cause:** When she first started there was no training to orient her to the specifics of the new organization. She would ask questions but was always met with anger. She was treated as if she were stupid. She had a really good work ethic and wanted to do a good job but she really needed the paycheck and her ego couldn't take all of the criticism. She had been living with severe stress over the mounting backlog of paperwork and did not know what to do.

- **Diagnosis:** The culture did not support training or open communication. Team members in this situation were actually hiding issues all over the place trying to avoid the wrath. The culture was so negative that the stress of doing less than standard work was easier to take than the stress of enduring the treatment for owning up to a

mistake. Most of the energy was spent on "duck and cover" or "the blame game" rather than on fixing problems or creating excellent customer service.

Now, I am not endorsing the behavior in either scenario. Employees should still always do what is right. However, I *understand* the behavior. Even the best, most well-intentioned people can go into survival mode and act in ways that they would not ordinarily.

A leader has the power to step in and assure that appropriate training is available. Employees cannot.

When you add people, you are doing it to add more heads, arms, and legs into the arsenal. Ideally, these other heads, arms, and legs will be a coordinated extension of you as leader.   If your culture is breeding drama, your team is probably not a coordinated extension of you…

You can have all the right people with all the right attitudes, but if the work environment is poor, the team performance will be poor. Bottom line.

I recently visited a store in the mall called, "Buckle." You may have shopped there yourself. The leaders in that organization understand creating a great culture! Their employees were fueled with passion for denim and the coordinating items in that store. You could feel the intentional focus on fun. They know their products, which will work best for your body type, they suggest coordinating items; and even get shoes for the outfit so you could check the hem length. Multiple people made suggestions. They helped each other, and they spoke excitedly to one another about new items they had just gotten in.

Making that happen requires intentional focus. Their hiring and training processes as well as their reward systems and leadership style, all must support that culture. This kind of culture is never an accident.

What kind of culture are you and your leadership team generating? What are you doing to foster more drama and less productivity? What must you change going forward?

To be a great leader you must have vision, integrity, and tenacity. And you, my friend, must be a great leader! Whether you're in a small business or a large organization, your team is looking to you as a guide. You must have a plan and a purpose.