

LEADERSHIP ACTION AND CULTURE

by Rick Tate and Art Smuck

“All culture is created through the telling of stories. We tell each other stories, and then later forget that they were stories, they then become our realities.”

- Peter Senge, Lessons In Leadership Conference 1996

Corporate culture is not a set of words printed in fancy font on placards which adorn the hallways or desktops of the organization. Culture is not a wished for state of affairs inside an organization. Finally, culture is definitely not something which controls the leaders of the organization, at least it doesn't have to be.

Consider how the culture of a nation, a society, of any group of people evolves. The culture is a result of the actions taken by prominent people (the elders) in the group. However, the actions alone do not translate into the group culture. Members of the group will talk about what they witnessed in terms of the behaviors displayed, or the action taken, and stories are the result.

People not personally involved in the actual event or experience then hear the stories. Because stories communicate context and meaning regarding what has taken place, people learn memorable lessons from hearing the stories. These lessons learned become maps of how to act when facing similar situations in the future. The do's and don'ts learned from stories become blueprints for action to the group members.

New members who join a group, or young members aspiring to adulthood, are taught the “ways” of the group through the telling of stories. The elders or prominent members pass along the culture, not by handing out placards, and not by making monthly or annual presentations to the group. They pass it along by taking the time to tell in detail the stories of their decisions and actions, which teaches lessons to all who hear them. The teaching of culture must be a priority obligation of leadership.

The culture of a group is what it is! Words will not change anything. Only different stories which teach different lessons will bring about culture change. This concept cannot be lost on today’s leaders who face the challenge of changing old corporate cultures that inhibit response to the demands of the new marketplace.

Organizational culture has little to do then with carefully articulated “values and “mission” statements. Again, those are only words. They are either representative of an existing culture or they are not. They are not, however, the culture! The true culture lies in the stories’ people tell. (Note: the same holds true for a company’s service culture or reputation...it has nothing to do with internal claims and marketing strategies...it is the culmination of customer stories about their experiences with a company. The nature of these stories is the litmus test of service quality!)

Let’s take a look at how culture is really passed along in organizations. In most new employee orientation sessions the new members are presented with mission and value statements. They are made aware of the corporate culture through the use of videos or personal presentations of published characteristics that are to be taken as representative of the organization.

To believe that culture has been communicated or introduced through this process is an illusion. Employees are truly introduced to the culture of the company by listening to the stories told informally by those who have been around the organization for awhile.

They hear the stories because they spend their first few months on the job asking others what the company is like and how to behave properly. The questions they ask are common to all companies... “what’s it really like around here?” “How is so and so to work for?” And “do we really do _____ here?”

The answers they receive to those questions are not delivered in the form of regurgitated words or bullet points from a values or mission statement. The veteran employees answer with definitive opinions supported by personal stories. The stories contain detail about “real” events. The detail and reality then convey the context of the situations and provide meaning.

In telling the stories, lessons are taught to new employees and reinforced in the minds of the ones who have been around longer. The stories new people hear have much more influence over their perceptions of the organization they work in, and how to behave there, than any orientation session or company speech can ever have.

Leaders, then, must consider themselves story creators or “authors through actions.” They must learn to consider the story they want told as a result of their behaviors, actions and initiatives. It is the context of the story that results from leadership actions in which leverage over future behavior is grounded.

More often, however, a leader's focus is on solving the present situation, as efficiently and effectively as possible. They do not often take the time to *strategically* consider how the solution or action will be represented as a story that others will learn from. They rarely take the time to consider whether the resultant story will be aligned with or out of sync with the espoused corporate values.

The long term impact of leadership lies in the stories that are generated as a result of their actions. What message will the stories convey should be a primary concern of all leaders. Leaders should ask whether they would want their own children or loved ones to be privy to the thinking, assumptions, and motives behind their decisions, actions, and interventions. With this type of personal reflection on, and scrutiny of, their leadership actions, leaders can gain control of the type of culture being created or sustained within their organization. This is far better than being victimized by a culture that happens to them as they create story after story that carries a lesson that was unintended.

“When adaptation does not take place, and people can’t control the environment, survival is at stake. However, when we allow ourselves to adapt to an environment in which we do have control, and that environment is not conducive to success, survival is also at stake!”

In fact, the recent increase in corporate efforts to “create culture” are somewhat amusing. This is not some new or breakthrough management insight. It is not a question of whether we will or will not create culture. The only question is *what type* of culture will be created!?! Leaders create culture through their behaviors, actions, and decisions every day...always have, always will. A more appropriate point of view may be that for the first time we are consciously attempting to choose the type of culture we are creating. Leaders are the culture creators, and must make this a conscious competency.

What is the lesson? Leaders create culture...they are not controlled by it. Without a proactive focus on how leadership actions will result in stories which compliment or reinforce the espoused organizational values, they risk perpetuating a culture that is in opposition to those values. This results in mixed messages to company members who look to the values as a direction for the future. This breeds skepticism and cynicism among members towards both the leadership of the organization, and the espoused value system.

Leaders must take personal responsibility for the company's culture. The culture is not a leadership excuse to rationalize why things are the way they are. Leaders who fall victim to an ineffective culture or value system and are continually influenced by it, are not leading at all! The culture cannot change without leadership changing the actions and behaviors which serve as the basis for the stories told inside the organization, which in turn create or perpetuate the culture.

People must adapt to things they have no control over. When adaptation does not take place, and people cannot control the environment, survival is at stake. However, when we allow ourselves to adapt to an environment in which we do have control, and that particular environment is not conducive to achieving the needed results, survival is also at stake. Being victimized and influenced by our environment, when we have the capacity to exercise control, is neglecting our leadership responsibilities.

It is always interesting to observe how individuals readily take credit for successes but easily blame others, the environment, or extenuating circumstance for mistakes or failure. This happens even when our successes or failures are all due in some large amount to luck, caused by

something other than the individuals application of personal effort. This approach to personal accountability for success or failure inhibits the process of learning, as people rarely understand exactly why their successes happened, and see the problems leading to failures as issues outside themselves. Examination and scrutiny of both success and failure fails to take place. Little learning or insight is gained and we go on to the next situation no better off than we were.

In situations such as these a culture is developed which accepts being mastered by external events when things don't go as desired or planned. Thus an ironic circle is created whereby we use the culture as the reason why things happen the way they do. That very act allows a culture to be perpetuated which in essence allows people to be governed by the culture rather than vice versa.

One of the most fascinating characteristics of humans is possessing the mental capacities to think, reason, and anticipate. This allows us to change the nature of our environment in many situations. We don't always have to accept the influence of external sources. When the external source is the culture we have created, we can change the culture if we have the courage and conviction to begin taking action in ways that will create different stories than what is being created currently.

In many organizations it is typical for employees to be alerted when there is an expected visit by senior managers. When leaders are asked why they alert people to these events, the typical response is about being prepared, having things "ship shape," or wanting to impress the boss. This game of Boss Watching 101 (America's favorite sporting event at work) creates a story which creates a piece of culture.

The message sent is...”there’s a different standard of performance for the boss/senior person than there is for the daily routine...daily tolerance is different from special events.” A culture wherein senior people are seen as “special” is created as stories are spread about the dramatic change in focus managers have when they know the boss is coming. Yet, when asked, everyone admits to the chaos, lack of productivity, resource strain, and leadership issues this situation causes.

“an ironic circle is created whereby we use the culture as the reason why things happen the way they do. That very act then allows the culture to be perpetuated that people are governed by the culture.”

Even the senior people recognize the stupidity of the situation. They rarely get an understanding of reality from their visits. They don’t get to sense the urgency and importance of many issues and thus lack the knowledge of what must be done to improve things at basic operational levels. They see the world through rose colored glasses which are created for them by the very culture they inspire through their actions. Imagine, all this in the name of organizational culture. Wow!

Take a recent situation in a company in the midst of an organizational change process. Two of the major “values” the company was attempting to cultivate throughout the organization were “honesty and integrity,” as well as “respect for all people.” At a regional sales meeting, a marginally performing employee was greeted at the gate as he deplaned in the city where the meeting was to take place. The greeters were both the Division and General Manager of the region in which he worked.

The salesperson was invited into the airline “club room” where he was informed he was being terminated. He was handed his severance package and a one way ticket home. This was not a spur of the moment incident. The severance package was prepared in advance, and the decision to terminate was made well before he was invited to the sales meeting.

Ironically, the performance of the salesperson actually warranted the termination. However, that is not the issue in this case. The issue is the way in which it was handled and the resultant stories that were told company wide. Why let a person get on an airplane and travel to a city where he had no social support to receive news of termination? Why let a person travel under the pretense of attending a meeting when the known truth is something different? Why leave a person alone in an airport with a ticket home to deal with the emotional effects of termination?

The Stories Are The Culture: Southwest Airlines

Who doesn't have a Southwest Airlines story? Virtually anyone who travels can easily share with you an extraordinary experience or incident, both in the air and on the ground, with Southwest Airlines. They range from Flight Attendants hiding in luggage bins to surprise passengers, to limbo setups as you exit the plane, to games of Trivial Pursuit while waiting on the tarmac for weather clearance.

But it doesn't begin or end with customer stories at Southwest. Consider the legend of how Southwest came to be; two friends, over drinks, a revolutionary approach to air travel, drawn up on a napkin. The personality of that beginning thought remains with the company to this day through CEO Herb Kelleher and the remainder of the Southwest employee group. The company is known for being creative, friendly, and highly competitive. Is there anyone left who has not heard the story of Kelleher going to the boxing ring with a competitor's president to settle a dispute?

At Southwest, the stories are the airline! Customer stories create customer expectations, while employee stories provide a blueprint for the Southwest “way” of doing things. At Southwest it's not what they say they are...it's what they do. And what they do continues to create their desired culture.

We know the Southwest “story”...What's your story?

The short-term problem of a poor performer was solved. However, the story told of how it was handled will pose significant barriers to developing a culture which embraces “honesty and integrity” and “respect for all people” as values.

This was handled in an underhanded manner, and honest or respectful would be the most remote adjectives one could use to describe the event! How would one describe the culture of this company when they hear of leaders who have acted in this manner?

What about customer situations where the customer has to take their problem through multiple layers of the organization all the way to senior levels to get resolution? When customers are not responded to effectively at the point of their inquiry and are forced to go up the ladder, what it will take to keep them happy is dramatically increased. We waste customers time in situations like these where the culture is not focused on quickly handling customer issues at the original point of contact.

Normally, when the issue reaches senior levels, someone in a senior management position calls for action to take care of the customer. “Do whatever it takes” becomes the mantra from above. We then see heaven and earth moved to satisfy the customer. When finished, everyone is elated that they have been so “customer driven.” All we have really accomplished in this case is to give ourselves the illusion of being customer driven.

To truly be customer driven would mean taking care of the customer without the customers issues having to be escalated up the hierarchy before anyone takes significant interest. When we choose actions that put off the customer and only react when someone from up the corporate ladder gets

energized, we are acting only for the sake of the boss. “Boss driven” is the real culture. The stories are centered around the boss’s energy for the customer and people’s responses to the boss. Taking care of the customer quickly and effectively at the initial moment of contact would create a very different story...the way we do things here is to take care of the customer in real time without anyone dictating it; the customer is *truly* at the center of our business. That story, heard over and over again, would create a culture that will influence fundamentally different behaviors in the people who make up the organization.

There are always intended and unintended consequences to any action. Many times when leaders focus on the short term solutions to issues they confront, they neglect the possibility of longer term, unintended consequences that might take place as a result of those very same short term solutions. They pay little attention to the “stories” that result.

The culture we have in our organizations is of our own doing. We either inherited it, and are perpetuating it through our daily actions and decisions, or we created it ourselves. ***In any case, we are the cause and not the victims.*** The true leadership challenge is in developing our ability to control the causes and not falling prey to a culture that is an obstacle to creating a more successful company.

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