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All In

How the Best Managers Create a Culture of Belief and Drive Big Results

by Adrian Gostick and Chester Elton
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256 pages

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Take-Aways

- Companies with strong cultures beat those with weak cultures.

- More than strategy or products, your organization's culture determines its success.

- Executives and managers directly shape their employees' culture for good or for ill.

- How effective managers are at this task really matters, because a strong culture depends on employers who believe in the firm and support its mission.

- Most managers don't know how to influence their teams' cultures purposefully.

- The best way to do this is to "engage, energize and enable" your employees; that's the "E + E + E effect."

- Take seven steps to build a corporate culture your employees believe in and embrace.

- Those steps are: Define your position, focus on customers, become agile, share data, treat workers like partners, cheer each other on and make people accountable.

- Managers should assess their company's culture, implement the seven-step plan, communicate with employees and reassess their actions.

- For effective employee recognition: "Do it now, do it often, be specific, be sincere."

Rating (10 is best)

Overall	Applicability	Innovation	Style
7	8	6	8

Relevance

What You Will Learn
In this summary, you will learn: 1) Why culture is crucial to your organization's success, 2) Why a positive culture depends on employees' belief in the company and 3) How to create a powerful organizational culture in seven steps.

Recommendation
Organizations with thriving corporate cultures – in which employees are engaged and energized – usually outperform their competitors. Executives and managers can reshape their corporate cultures to inspire their workers to be loyal, enthusiastic and dedicated. Global workplace experts Adrian Gostick and Chester Elton discuss how successful business leaders turbocharge their corporate cultures, thus increasing their bottom line and making their employees proud to be part of their companies. While some of their illustrative case histories strain a little to make the authors' point about corporate culture, most are credible and instructive. *getAbstract* recommends their insights to all managers eager to win employee commitment and enthusiasm.

Summary

"Culture is what makes teams and organizations great."

Make Them Believe
In the late 15th century, Genoese trader Christopher Columbus solicited money from King Ferdinand and Queen Isabella of Spain to sponsor his expedition west across the Atlantic Ocean in search of a new route to Asia. Most Spanish noblemen regarded Columbus as a lunatic and thought his plan was absurd. Mired in dire financial constraints, Spain had no money to fund a venture that everyone believed would fail.

In his presentation, Columbus played on Isabella's piety. He claimed that his expedition would promote Catholicism throughout Asia. Isabella made Columbus detail his prospective voyage to a committee of court advisers. They were deeply skeptical. The royal purse stayed closed.

Years passed, and Columbus continued to seek support from Spanish officials. He changed his pitch, asking Spain to grant him 10% of the wealth of the treasure-laden lands he would claim for the crown. His focus on riches strengthened his argument, but Isabella and Ferdinand still said no.

"The questions at the root of any cultural-improvement effort are these: What do my customers want in our brand? And why would my employees care about this culture and live that brand?"

Columbus gave up and left the Spanish court. In his absence, his persistent appeals to Spanish nobles and officials finally paid off. These courtiers begged the Queen and King to change their minds before Columbus persuaded some other monarch to fund his journey. If he succeeded, the courtiers warned, Isabella and Ferdinand would be the laughingstocks of Europe. Those who Columbus courted so assiduously became his true believers. They were "all in." Their arguments swayed Isabella and Ferdinand, who agreed to pay for Columbus's venture. The rest is history.

Belief: the Absolutely Essential Ingredient
Leaders need their employees' enthusiastic support to reap their firm's maximum potential. Just as the Spanish courtiers believed in Columbus, so must employees fully believe in their organization's leaders, mission and values – even in rough seas.

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Such strong belief requires employee engagement, which depends on organizational culture. A sound culture differentiates a company from its rivals and helps make it great. Even more than strategy or great products, your organization's culture determines its success. In fact, a mid-1990s Harvard study found that companies with "positive" corporate cultures increased their revenue growth 682% during an 11-year period. In contrast, firms with "weak" corporate cultures increased their revenues only 166% during the same period.

Additional research indicates that individual managers strongly affect the culture of their work teams. Good managers strengthen culture. Bad managers weaken it. Most managers don't know how to affect the cultures of their work teams purposefully, but they always have an effect, one way or another. Great managers influence work team culture in three ways: 1) They "engage" their employees, 2) they "energize" them and 3) they "enable" them to do their best work.

This is called the "E + E + E effect" and it is the "secret sauce" of a positive corporate culture wherein employees become all-in believers – missionaries for the firm – and pass on their fervent belief to every customer, supplier and stakeholder. To achieve this level of buy-in, take these seven steps:

1. "Define Your Burning Platform"
One night, a massive explosion awoke a North Sea oil-rig worker. A growing blaze roared around him. His only option was to jump into the dark, freezing waters five stories below. With no notion of what might happen, he leapt. That saved his life. When rescuers asked how he found the courage to plunge to such an uncertain fate, he said, "Better probable death than certain death."

Corporations also face burning-platform situations. In the 1980s, General Motors' market share plummeted when it failed to deal adequately with competitive challenges from Japanese automakers. If your organization faces such a moment, tell your employees that they now stand on a burning platform. Explain precisely what you and other leaders plan to do to save the business. Clarify to your workers how they must help the firm leap out of danger and ensure that they know that the members of senior management are sharing any employee sacrifices.

2. "Create a Customer Focus"
Companies must focus on the people who pay the bills, so employees need to pay close attention to their customers. Social media such as Facebook, LinkedIn, and so on provide a great mechanism for maintaining this connection. Managers should solicit opinions from frontline workers who experience the company's highest level of client contact. To enhance your focus on consumers, open new lines of communications. Establish consumer forums. Invite patrons to attend company meetings and to discuss their views of the firm and its products or services. First, ask your buyers to suggest ways to improve your operations; then thank them. Create both company- and product-specific Facebook pages where customers can interact and share their opinions and useful tips.

3. "Develop Agility"
Successful companies thrive on change. Instituting business agility requires helping your teams or your whole firm "evolve and meet the future in new and innovative ways." To maintain maximum agility, improve your customers' lives with customized solutions; focus on what your firm does best while forming "noncore alliances" with partners who

excel at the rest. Reorganize into whatever corporate form best serves your core function. For role models, look to the guiding lights of corporate agility, such as Steve Jobs and Walt Disney.

4. "Share Everything"

To get your employees on your side, be forthright and transparent, and let your staff members know what goes on inside the company, good or bad. Show your trust by sharing insider knowledge. Withholding information from your employees makes them suspicious of you and your processes, and they feel less connected to the company.

5. Form Partnerships "with Your Talent"

No one wants to be a subservient cog in a big machine. Regard your staffers as valued partners, and they will become just that. The better you treat your workers, the better they will treat your customers. To demonstrate how much you value your workforce, expend company resources on helping employees establish their individual career development paths and goals. Create programs, policies and metrics to help them attain and even surpass their professional goals.

6. "Root for Each Other"

No matter how accomplished or well compensated they are, people need to feel appreciated. Establish programs that recognize your employees' "top-down and peer-to-peer" achievements. Staffers feel more secure in their jobs and more passionate about their work when their bosses single them out for recognition. They become more productive when their colleagues are "empowered" to applaud their accomplishments. Show your employees that you recognize how hard and how well they work. "Do it now, do it often, be specific, be sincere."

7. "Establish Clear Accountability"

Accountability – employees' acceptance of personal responsibility for meeting their work goals – is essential to cultural success. Enhance your workers' accountability by establishing clear task targets that fit the "SMART" criteria: They need to be "specific, measurable, attainable, relevant and timely." Keep employees informed about company standards of performance evaluation and update them on rule changes. Establish systems to monitor employee progress against their goals and deadlines. Celebrate achievement whenever possible. Speak to your employees up and down the hierarchy and let them know you are monitoring their good works. Hold yourself accountable to your own work goals and make sure your people know that you do.

Remolding a Company's Corporate Culture

To reshape the culture of your organization, take four distinct administrative actions:

1. **"Evaluate"** – Conduct interviews and focus on groups to determine the "levels of employee engagement, enablement and energy."
2. **"Plan"** – Use the seven-step program to build your culture in positive ways.
3. **"Communicate and train"** – Educate your employees using "storytelling; recognition; social media; print, verbal, and video messages; lectures; and online and classroom workshops." Teach your staff that your principles are not just talk – they are real-world guidelines shaping every interaction with every customer.
4. **"Reassess"** – Speak with your staffers, pay attention to in-house social media, and create surveys to determine the success of your cultural improvement program, the

percentage of your workers who have committed to your program and the ways you can improve it.

You can use many different tactics to create a transformative corporate culture full of enthusiastic employee-believers. Those strategies include:

- **"Ask a billion questions"** – Ask positive questions to prompt your workers to think in new ways about what they want to accomplish and how to achieve their goals. Two good questions are: "Is the job what you expected?" and "What skills do you have that we aren't using?" Such questions signal that you care about and value your employees.

- **"Be a part-timer lover"** – Fulham Football Club employs 1,000 part-time workers as ticket takers, security personnel and vendors. "They have far more influence over our success or failure than anything management can do in the head office," says the team's people-development director Robert Ordever. What can you do to make part-time employees love your firm and best represent it to your customers?

- **"End the week with thanks"** – Make Fridays your celebration day. Assemble your team to recognize those who did noteworthy work during the week. Close these celebrations by setting work goals for the upcoming week.

- **"Talk the walk"** – American swimmer Michael Phelps won eight Olympic medals because he believed he could. Demonstrate confidence. When you talk to employees about reaching their goals, say "when" and "will" instead of "if" and "try."

- **"Send an HTN"** – Establish a routine of sending "handwritten thank-you notes" (HTNs) to your team when they do something good. HTNs are a great way to communicate with customers and vendors. Receiving an HTN pleases everyone.

- **"Play like a team"** – Create a companywide or group softball, kickball or bowling team. Colleagues who play together outside the office work better back in the office.

- **"A 30-minute miracle"** – Britt Berrett, president of Texas Health Presbyterian Hospital in Dallas, tours the hospital every day at 9 a.m. to speak informally with workers, as does his executive staff. Daily contact with an organization's senior leaders proves a great morale builder. Spend at least 30 minutes every day speaking with your employees.

- **"Seriously?"** – Zappos executives routinely participate in dance-offs, to the delight of their employees. Zappos's leaders engage in public competitions that make them look silly because it communicates that they are not self-important or vain and that they are comfortable laughing at themselves. It makes leadership more human to employees.

- **"Pimp your titles"** – At Pixar, the award-winning creator of animated films, everyone has the title of filmmaker, including secretaries, receptionists and night watchmen. Any babies born to employees while a film is being created are listed as "Production Babies" in the movie's credits. Let your employees assign themselves any titles they like. "Mayor of Manufacturing" sounds like a lot more fun than vice president.

- **"Get ideas out of their pockets"** – Appoint an ombudsman who listens to employees' ideas and helps those with the best concepts present them to corporate leaders.

About the Authors

Adrian Gostick and **Chester Elton** are the best-selling co-authors of *The Carrot Principle* and *The Orange Revolution*. They founded The Culture Works, a consulting and training firm.