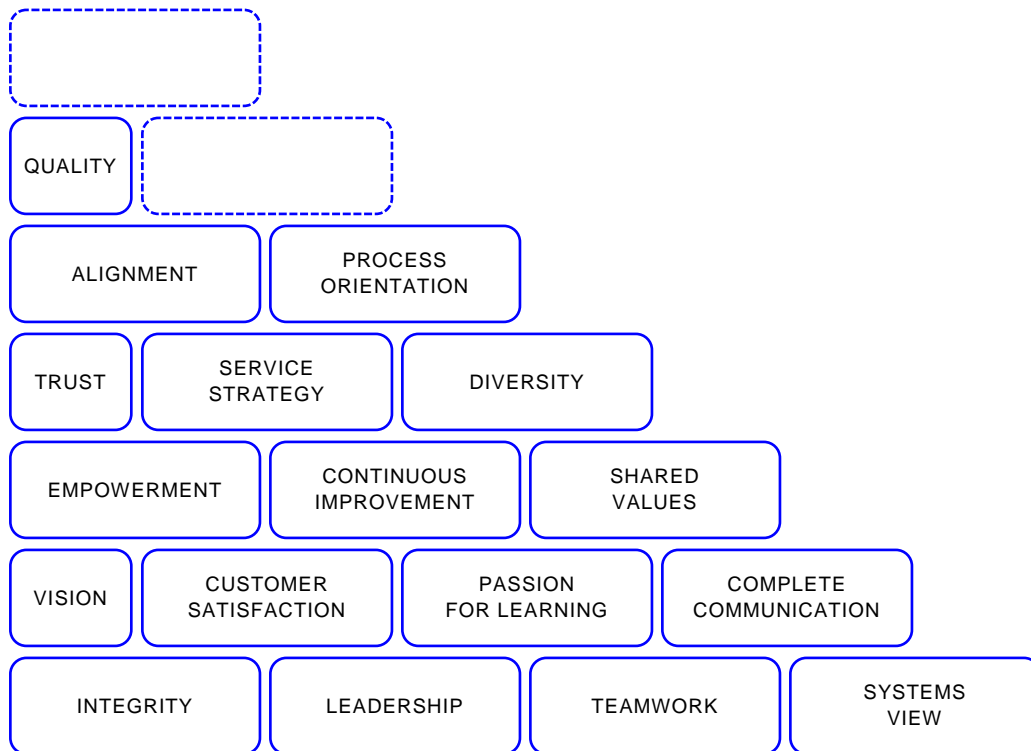


BUILDING COMPETITIVE ADVANTAGE



BUILDING COMPETITIVE ADVANTAGE

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INTRODUCTION

The models that follow provide a conceptual map for creating competitive advantage through people. They don't have the precision of a road map that tells you exactly how many miles to your destination, etc. That level of precision may never be possible in this endeavor. Rather, these models are intended to focus attention on the key processes that must be managed in order to build a culture where continuous improvement is the norm—in other words, a learning organization.

True competitive advantage is more difficult to achieve and sustain than ever before. Technological breakthroughs are hard to come by, and when they do occur, they are quickly reverse-engineered and copied by competitors.

It may be that the only truly sustainable competitive advantage lies in the development of a trained, committed work force—people who are energized by an important vision, who are committed to the pursuit of excellence, and who are fairly rewarded for their efforts.

The development of the global marketplace with worthy competitors in virtually every industry has changed the organizational world profoundly. Today, and increasingly in the future, any organization that chooses anything less than the pursuit of excellence (continuous improvement) in serving its customers is choosing to go out of business. In industry after industry, “good enough” is no longer good enough.

Many companies will look for short cuts to excellence, and they will fail in the process. There are no short cuts to excellence. The serious pursuit of excellence requires leaders who can sustain a pointed focus on an important purpose, who value teamwork above individual achievement, and who are constantly working for the best fit between all parts of the organizational system.

The pursuit of excellence is synonymous with continuous improvement. It means learning every day. It means trying new things and failing, but not becoming a failure. It means listening to customers in a way very few companies have done in the past. It means developing partnerships with customers, suppliers, and associates in such a way that everyone benefits and everyone is empowered. It means setting high performance standards today and raising them tomorrow. It means a commitment to the development of people that never wavers.

The information age is placing a new premium on the importance of learning fast. Organizations that can't learn fast are already having difficulty meeting the challenges of rapid change. In the very near future, learning organizations are the only ones that will be able to compete.



PART I. LEADING WITH A VISION

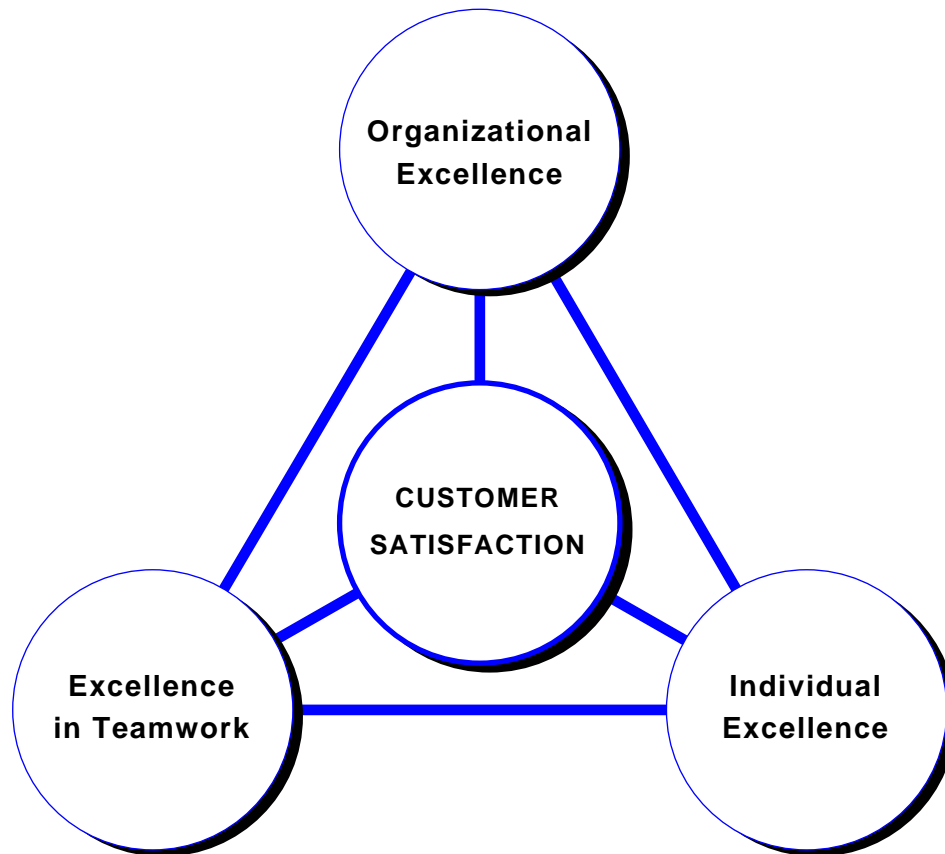
Creating a Context of Excellence

“The single most visible factor that distinguishes major cultural changes that succeed from those that fail is competent leadership at the top.”

*John P. Kotter and James L. Heskett
Corporate Culture and Performance*



DEVELOP AND COMMUNICATE A VISION OF EXCELLENCE

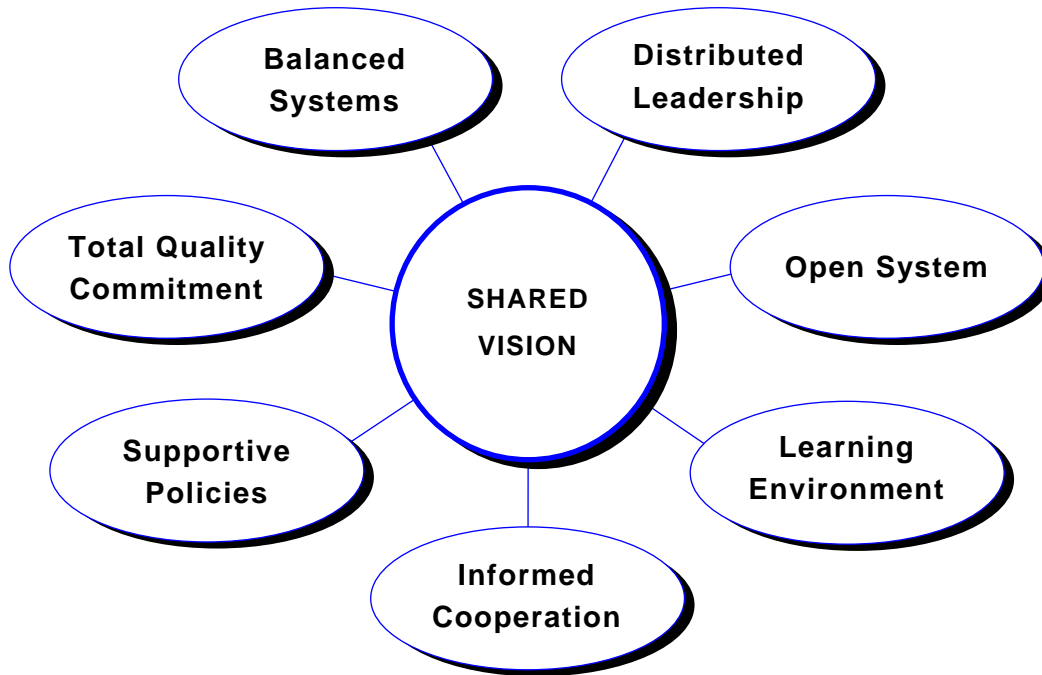


The first and most important, continuing task of leadership is to define a shared vision that energizes and brings out the best in people. A compelling vision paints in broad strokes how the organization intends to serve its customers through individual, team, and organizational excellence.

- ❑ **Organizational Excellence** is the pinnacle. Excellence in any form is a serious and often difficult undertaking, but this is the most challenging because of the sustained commitment and cooperation required of so many people. A shared vision provides the focal point for that commitment and cooperation. The more people that can be involved in defining the vision, the better, but the task of sustaining it and keeping it fresh is the major responsibility of top management.
- ❑ **Excellence in Teamwork** is a prerequisite to organizational excellence, since most work is accomplished by teams. Each team must have its own vision which supports the organizational vision and aligns with other related teams. Informed Cooperation is the centerpiece of effective teamwork throughout the organization.
- ❑ **Individual Excellence** in support of team and organizational goals should be encouraged and rewarded. People want to excel as individuals *and* as members of a team. When desired outcomes are clearly defined under the umbrella of an organizational vision and mission, there need be no conflict among any of the forms of excellence.

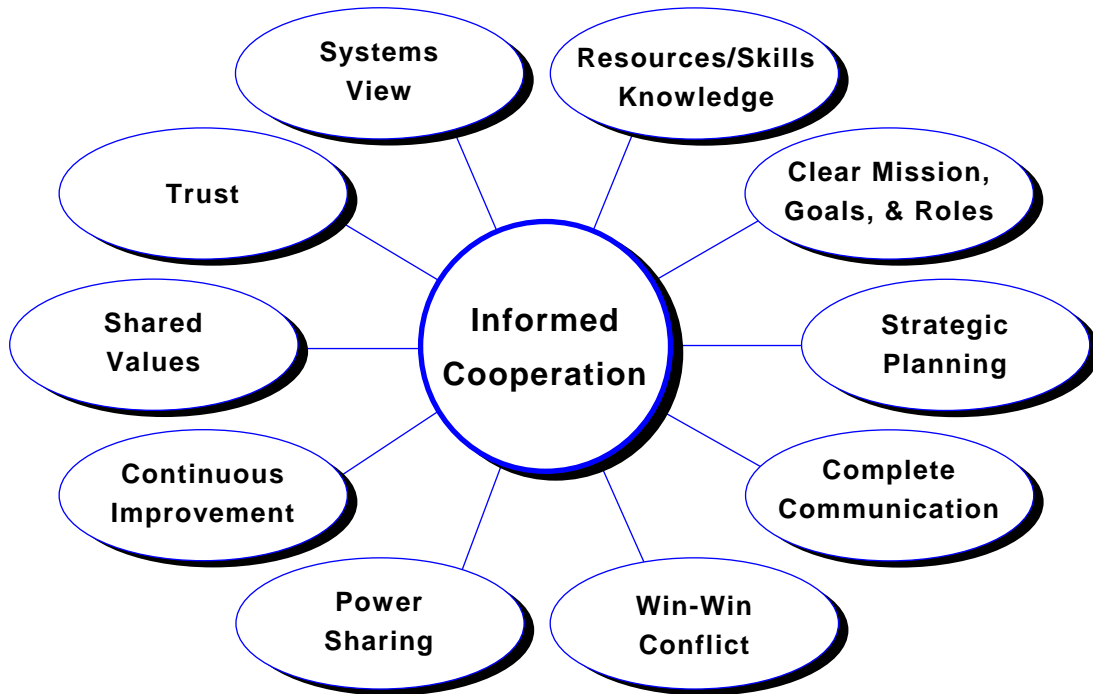


ORGANIZATIONAL EXCELLENCE



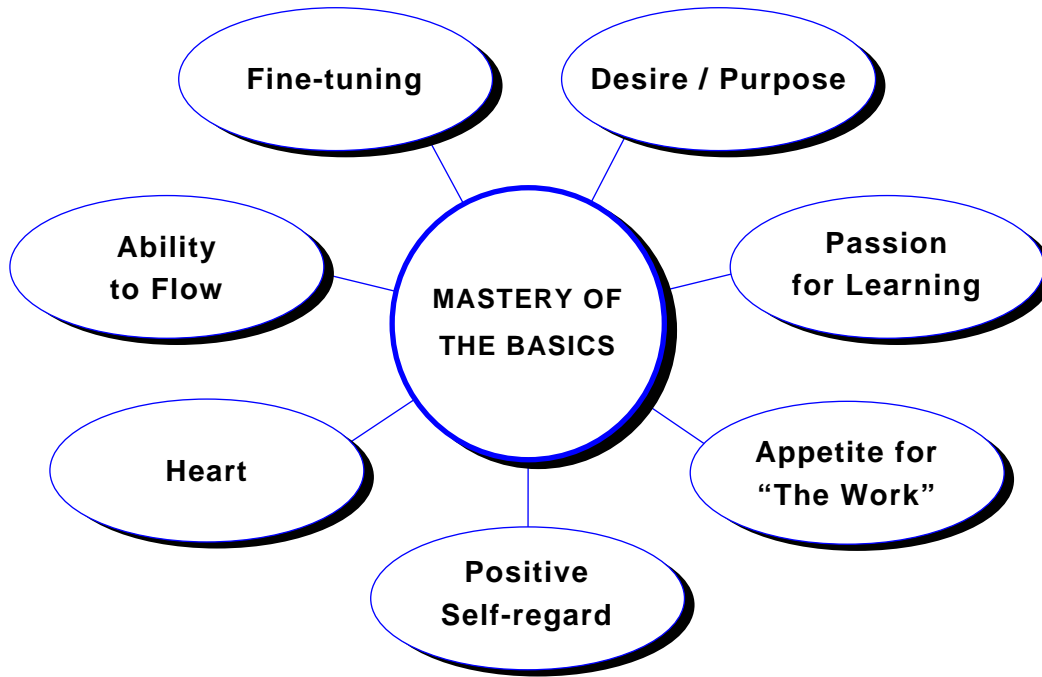


EXCELLENCE IN TEAMWORK



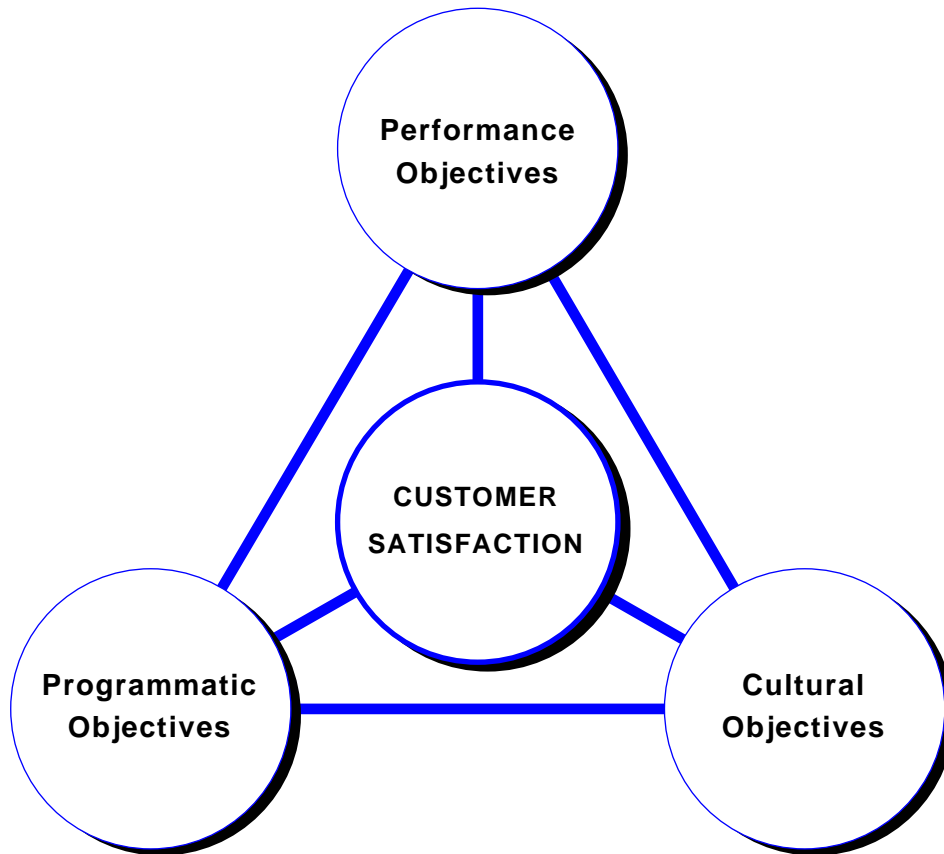


INDIVIDUAL EXCELLENCE





ORGANIZATIONAL OBJECTIVES



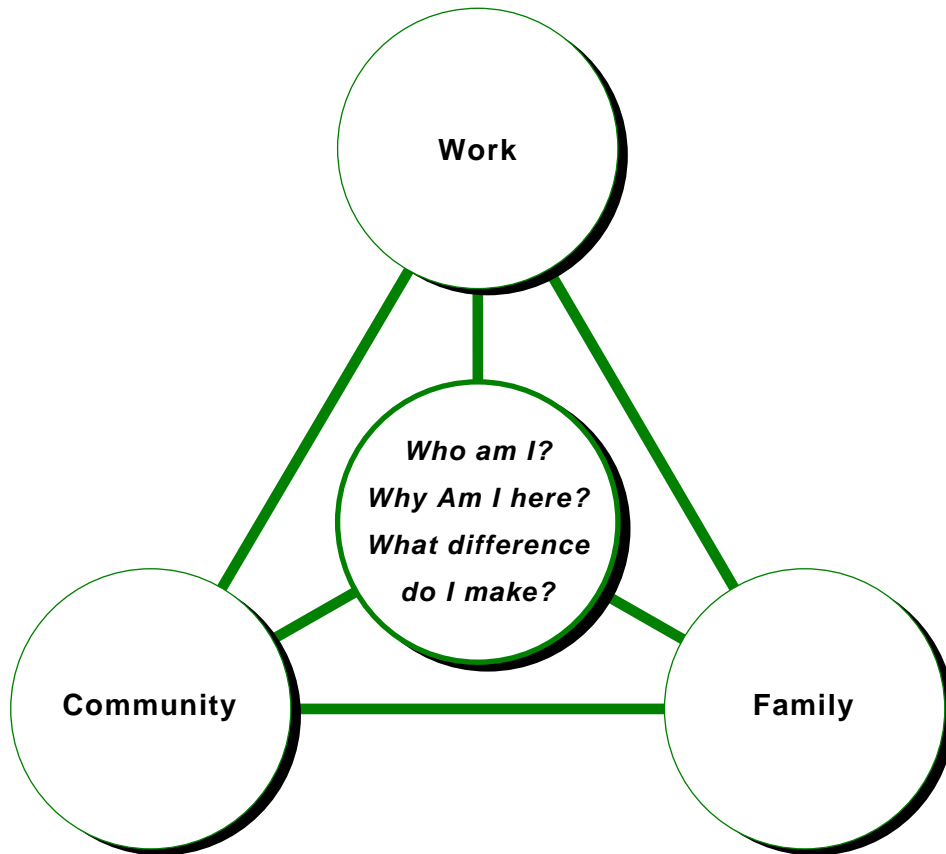


CUSTOMER-CENTERED SERVICE



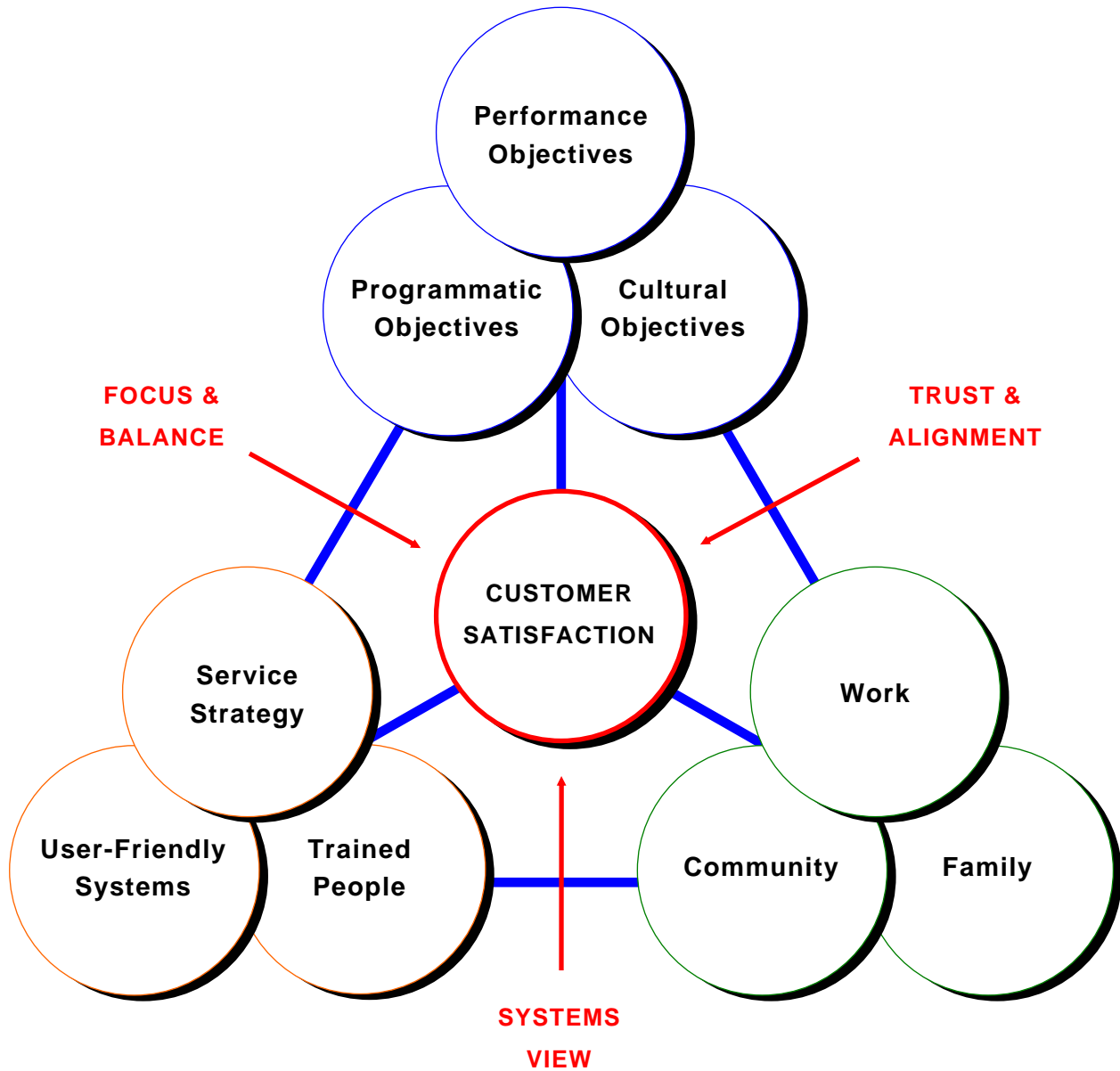


THE ULTIMATE BALANCING ACT





THE LEADERSHIP TASK: PROVIDE FOCUS *and* BALANCE



A Near Fanatical Commitment To Individual, Team, & Organizational Excellence



ATTRACT, DEVELOP, AND KEEP TALENTED PEOPLE

When a new person joins the organization, there's a unique window of opportunity to help him or her get off on the right foot. Typically, the new associate is highly motivated to learn the ropes and become a contributing member of the organization as quickly as possible. There will probably never be another time in their careers when they are as hungry for information and guidance.

Establishing an orientation program to help new associates learn the right things about their particular assignment and the organization as a whole is a primary leadership responsibility.

Here are some ways to maximize the chances for success:

- *Clarify expectations: get the best fit possible between individual goals/needs and organizational goals/needs.*
- *Get clear agreement on the commitment to goals/mission/vision.*
- *Make a conscious decision regarding how much freedom is being delegated to determine strategy and set supporting goals.*
- *Set short-term milestones that will be good indicators of effective performance.*
- *Check progress early and often so that any needed course corrections can be made quickly and easily.*
- *Emphasize and insist on good alignment—not conformity.*
- *Maintain an attitude of conscious optimism regarding the person's ultimate success and make it easy to talk about short-term problems, mistakes and failures.*
- *Be available to listen and be slow to offer advice and suggestions.*
- *Celebrate the successful completion of milestones and set new ones.*
- *View the relationship as a partnership of adults instead of the old boss-subordinate trap.*



EMPOWER YOUR PEOPLE

Leaders who empower others:

1. Involve them in the development of a shared vision.

- have a personal sense of purpose (believe they can make a difference).
- inspire others to be good team players.
- provide focus and balance in the pursuit of their vision.

2. Share information freely so that everyone has the information they need to make informed decisions.

- communicate openly and honestly, and actively encourage others to do the same.
- think and communicate inclusively more than exclusively.
- listen more than they speak.
- encourage diverse opinions and open disagreement.

3. Have a sense of the fundamental equality of all people.

- view organizational members as partners, not subordinates.
- trust themselves and extend trust readily to others.
- accept and affirm the unique talents, interests, and values of each person.
- treat everyone with dignity and respect.
- involve others in the joint evaluation of results.

4. Direct their own efforts toward creating the conditions where others can be successful in pursuit of their shared vision.

- work to ensure the best possible fit between personal and business goals.
- engage people in the creation of policies and norms that support goal achievement and in the elimination of restrictive and meaningless ones.
- create opportunities instead of obligations.
- encourage people to manage themselves—to take full responsibility for their actions and results.

5. Work constantly to build a learning environment in which continuous improvement is the guiding principle.

- model risk-taking—encourage everyone to view “mistakes” as learning opportunities.
- actively work to decrease fear and anxiety.
- honor the creative process.
- are incessantly curious about the way things work.

6. Have a clear set of values and consistently check their actions against them.

- are able to model most of the behaviors they seek from others.
- are good followers.
- tend the core values of honesty, integrity, and good corporate citizenship.
- bring out the best in themselves and others.

7. Have positive self-regard--are able to fail without becoming a failure.

- are self-confident enough to welcome the most talented people they can find.
- are patient and persistent.
- are flexible and have a high tolerance for ambiguity.
- have a good sense of humor--don't take themselves too seriously.



SUMMARY OF KEY LEADERSHIP TASKS

1. Creating a vision / purpose

- Listening
- Imagining
- Shaping

2. Communicating the vision; enlisting 100% commitment

- Explaining; teaching
- Demonstrating commitment and consistency
- Persuading; winning support

3. Creating the conditions where everyone can align with the vision and be successful

- Maximizing the fit between individual and organizational goals
- Acquiring resources; training and retraining
- Establishing supportive norms and policies
- Removing blocks; building effective systems

4. Helping those who won't align with the vision find another place to work

- Without being unduly intolerant of dissenters
- With mercy
- With fierce determination

5. Muscle-building the organization

- Moving people around
- Providing stretching assignments
- Bringing in new talent

6. Making continuous improvement and renewal a way of life

- Nurturing creativity
- Embracing change as the only constant
- Perfecting the art of “letting go”

7. Building cooperative instead of adversarial mindsets

- Making cooperation pay off
- Adopting the systems view of life
- Making sure everyone has access to all the information

8. Tending the core values

- Honesty—Integrity
- Equality—Equity
- Quality—Service

CREATING VALUE—BUILDING TRUST—EMPOWERING—SERVING



PART II. TEAM-BUILDING

Nurturing Informed Cooperation

“People have always worked in teams; very few people ever could work effectively by themselves. The understanding of teams, the performance capacities of different kinds of teams, their strengths and limitations, and the tradeoffs between various kinds of teams will thus become central concerns in the management of people.”

Peter Drucker



DETERMINE THE IMPORTANCE OF TEAMWORK

Every organization needs its people to cooperate at some level in order to produce products and serve its customers. This is self-evident to most organizational members, but there may be some associates who prefer to work independently and don't show any enthusiasm for developing effective teamwork.

Following are some ways to think about the kind of teamwork needed and its importance.

1. The extent to which people must share resources

—It would be a rare organization that didn't require some resources to be shared. The specific resources that must be shared dictate the kind of communication and coordination required of team members.

2. The extent to which there is task interdependency

—The more coordination that is required to complete a product or provide a service, the higher the level of teamwork needed.

3. The extent to which there is outcome interdependency

—The more each team member affects the output and rewards of other team members and the more each team impacts the output and rewards of other teams in the organization, the greater the importance of teamwork.

4. The complexity of the task

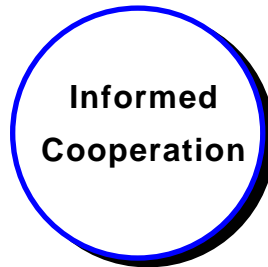
—The more complex the task, the more flexibility, communication, and coordination are required of team members since no one can anticipate all the contingencies that will arise.

The information era is bringing with it great opportunities for improving teamwork and raising the level of importance geometrically. Information technology makes it possible to simultaneously communicate and share large amounts of data with geographically dispersed team members. However, the value of the data will be determined by the team's ability to transform it into useful information—in other words to make meaning and learn.



BUILD THE KEY TO EFFECTIVENESS

EXCELLENCE IN TEAMWORK

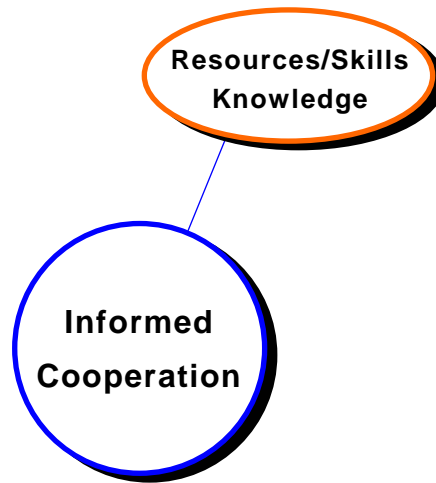


- Informed cooperation is the key to effective teamwork. It's characterized by a core understanding that information is essential for success and that team goals supersede individual goals.
- Building and sustaining informed cooperation requires a lot more than an intention and a willingness to cooperate.
- It requires learning enough about other team members and their particular functions so that one knows on a continuing basis how to offer help effectively.
- It requires that team members not wait to be asked for help, but that they be proactive in looking for ways to support one another.
- It sometimes means throttling back your individual performance in order to make another team member and/or the entire team more effective.
- It always means evaluating individual performance in the light of contribution to team goals.



MAKE SURE TEAM MEMBERS HAVE THE NEEDED SKILLS AND RESOURCES

EXCELLENCE IN TEAMWORK



- When forming the team, take the time to choose people who have the necessary skills and knowledge base to be successful.
- Provide easy access to the technical, financial and other resources the team will need.
- Monitor team progress to assure that they make good use of the resources provided and to add new resources as needed.
- Allow team members the time to hone and update their skills and knowledge as needed.
- If it becomes clear that a team member is unwilling or unable to perform their role on the team, replace them with someone who can.



DEVELOP & SUSTAIN A CLEAR MISSION, GOALS, & ROLES

EXCELLENCE IN TEAMWORK



- Information is crucial for cooperation. Knowing what the team is charged with doing, how it will do it, and who's responsible for what is the starting point for informed cooperation.
- Knowing how goals and roles fit in the larger picture enables team members to behave effectively without having everything spelled out in such detail that role descriptions become restrictive.
- Believing that their jobs are important, knowing how they relate to the whole, and having a reasonable fit between their personal goals and the organizational goals energizes and motivates team members to cooperate.
- Team members need to know one another at a deeper level than the role each is playing. This tends to generate a genuine interest in each other's individual success, and in the final analysis, is essential for excellent cooperation.



THINK, PLAN, AND ACT STRATEGICALLY

EXCELLENCE IN TEAMWORK



- Thinking strategically means thinking with end results in mind. It means sustaining an awareness of how one's job fits in the whole.
- Planning strategically means anticipating the needs of customers and suppliers in accomplishing your job.
- Acting strategically means stepping up to a problem and doing the right thing in the context of the overarching goals—even though the action might not be in your best personal interest.
- Complex tasks require that everyone think, plan, and act strategically—that everyone anticipate problems before they arise and that everyone use a systems mindset in solving problems.



GO FOR COMPLETE COMMUNICATION

EXCELLENCE IN TEAMWORK



- Accurate, timely information is the lifeblood of an effective organization. Goals and roles are continually changing to meet changing conditions in the competitive environment. Complete communication is essential for a team to sustain the clarity needed for effective cooperation.
- Complete communication doesn't mean telling everyone everything you know. That's a practical impossibility. It means voluntarily communicating everything you believe to be relevant for others to know and checking when you're not sure.
- Every person in the organization needs two kinds of information on a continuing basis: relevant input on the content of their work and timely feedback on the process of their work, i.e., on the impact of their performance on other team members and team outcomes.
- Effective listening is a vital part of complete communication that is often undervalued.



REFRAME CONFLICT AS A WIN-WIN ACTIVITY

EXCELLENCE IN TEAMWORK



- When people strive for honest, complete communication, there will be conflict. The nature of human perception is that no two people see the world in exactly the same way, so it's inevitable that there will be different perceptions and different preferences regarding decisions and courses of action. This is good.
- Conflict is our friend and should be welcomed as a normal part of living and working together. Conflicts need not cause problems in team relationships. On the contrary, they present opportunities to build relationships by attacking issues instead of each other.
- Good conflict resolution skills are an essential part of effective teamwork and can be learned by everyone. Learning to disagree without attacking the other person and without assuming there must be a winner and a loser in the dispute are central to achieving the potential benefit in conflict.
- Lively, productive conflict is energizing and can be a rich source of ideas and options when we don't fear personal attack or losing. Every one of us is capable of letting go of our win-lose attitude toward conflict and adopting this more productive frame.



SHARE POWER

EXCELLENCE IN TEAMWORK



- This may be the most important aspect of effective teamwork and one of the most difficult to accomplish.
- Everyone needs to feel powerful in the sense that they can make a difference—that they can make things happen.
- Feeling powerless is probably one of the most discouraging feelings anyone can have.
- When power is shared, people are able to devote tremendous energy to the work at hand. When power is hoarded, people feel anxious about their own security and use their energy trying to figure out how to get power and how to be safe.
- Power sharing does not mean giving everyone an equal vote on every decision. It means giving people control over the relevant resources they need to do their jobs (including some flexibility in how they use their own time), giving them the information they need to be effective, giving them the opportunity to influence decisions that affect them, and giving them the opportunity to grow into jobs of greater responsibility.



MAKE CONTINUOUS IMPROVEMENT *the WAY OF LIFE*

EXCELLENCE IN TEAMWORK

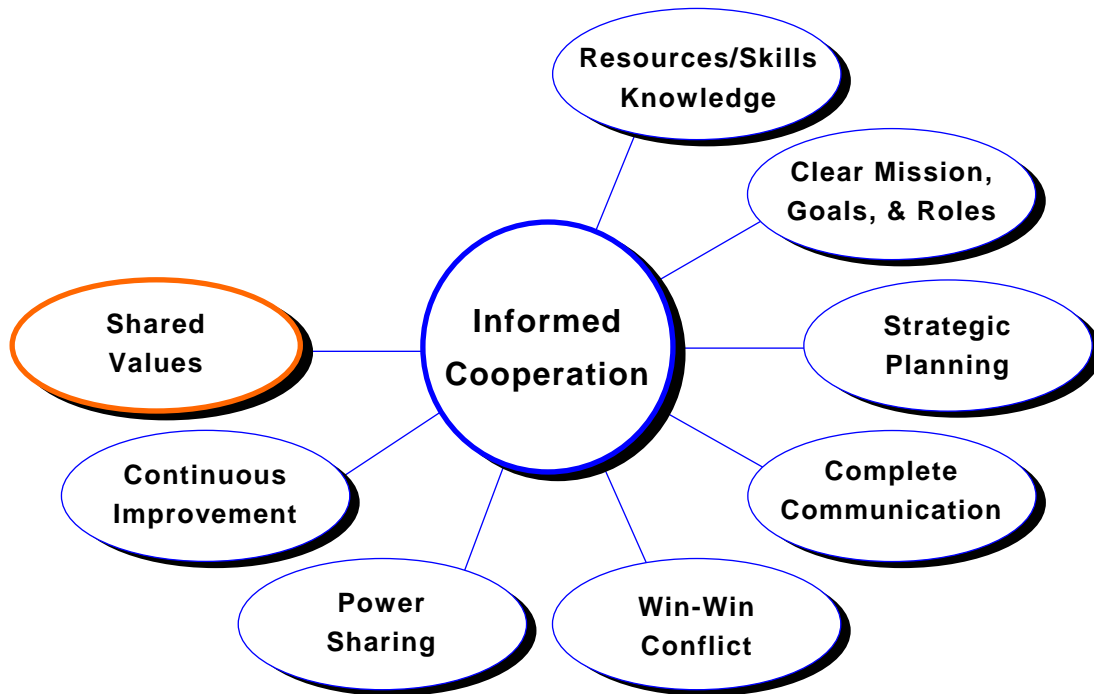


- Effective teams never become complacent. They are constantly examining their performance and searching for that next increment of improvement.
- Effective teams are learning machines. Mistakes are viewed as opportunities for learning—not occasions for punishment.
- Risk-taking is encouraged and rewarded. Risks are accepted as an essential part of the improvement process.
- Barriers and limits to performance are continually pushed back, since no one knows what's ultimately possible.
- The team's ability to see reality is constantly expanding, since everyone's view is respected and accepted.



PRESERVE THE CORE VALUES

EXCELLENCE IN TEAMWORK

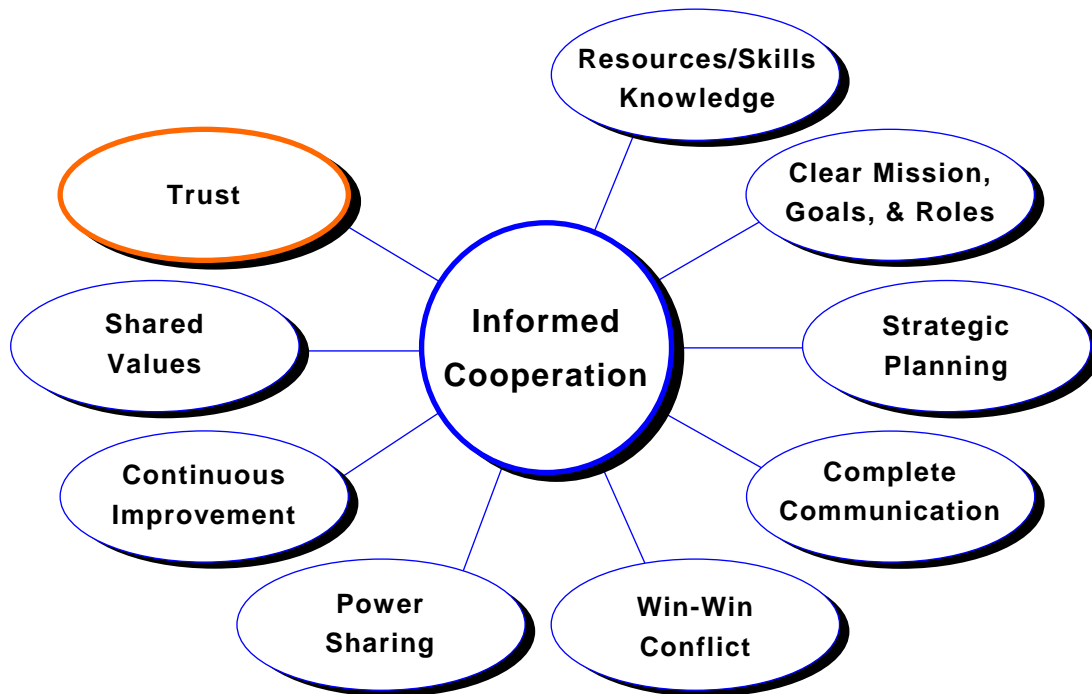


- People on effective teams share some core values which they believe to be related to their success.
- Team leaders make it their business to preserve the core values and teach them to new team members.
- Fairness and equality are two such values. Everyone deserves to be fairly rewarded for their contributions and to be treated with dignity and respect.
- Quality is another. People derive pride and satisfaction from their involvement in producing quality products and services.
- Caring is the universal core value. People want to be involved in meaningful work, and when they are, they care deeply about what they're doing and the other people with whom they're working and serving.



BUILD THE TRUST LEVEL

EXCELLENCE IN TEAMWORK

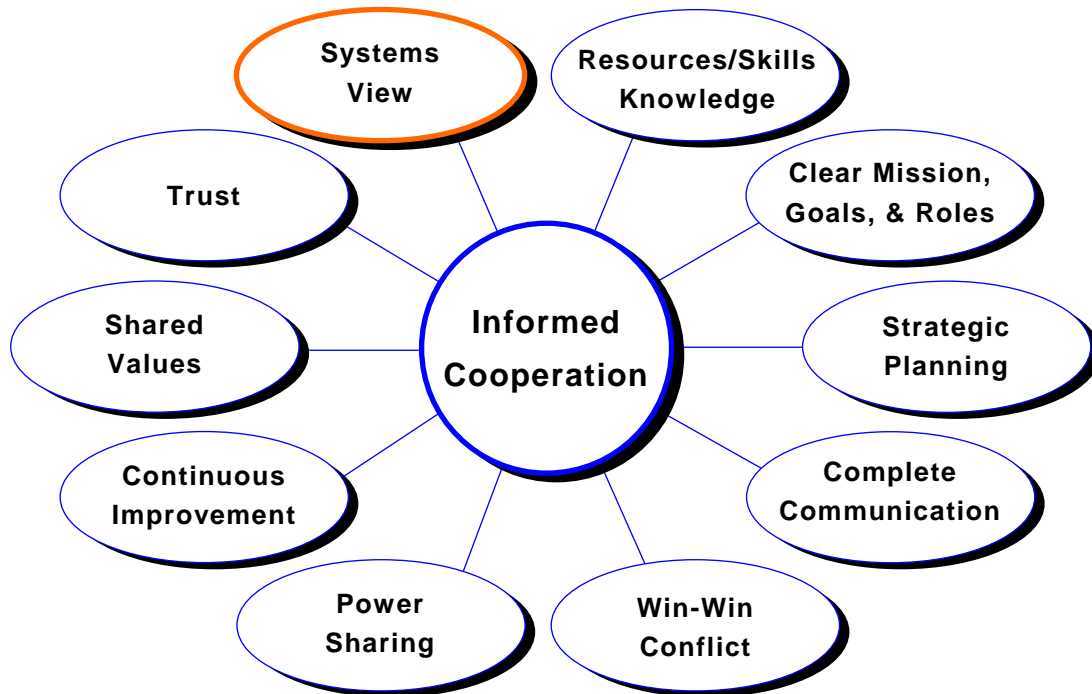


- Trust is a master variable in organizational life. It impacts behavior in important ways every day.
- Everyone is capable of participating in high-trust relationships, but it is not automatic and cannot be taken for granted.
- People enter teams with unique life experiences around trust. Some will extend trust quickly while others will be cautious and slow to trust.
- Misunderstandings are inevitable when teams are undertaking challenging tasks, but when the trust level is high, team members give each other the benefit of the doubt—then check it out.
- Extending trust without any forethought can be just as ineffective as never trusting at all.
- It takes time to develop deep trust among an entire team, but it can be destroyed quickly.



TAKE THE SYSTEMS VIEW

EXCELLENCE IN TEAMWORK



- Taking the systems view means operating with a constant awareness that everyone in the organization is a part of the same system and therefore subject to each of the following principles.
- The performance of the whole system is affected by the performance of each part of the system.
- The way each part affects the whole system is influenced by at least one other part of the system.
- Parts of the whole system can be grouped into functional subsystems. Each subsystem has an effect on the performance of the whole system.
- The performance of the whole system depends critically on how well the parts fit and work together, not merely on how well each performs when considered independently.
- The performance of a synergistic system is better than the performance of any particular part and better than the performance of the sum of its parts.



DRIVE OUT PSEUDO-TEAMWORK



Unfortunately, most organizations have a lot of pseudo-teamwork, i.e., a work climate that can best be characterized as adversarial. Adversarial attitudes and behavior are caused and sustained by all of the factors in the ovals, typically beginning with unqualified team members and ambiguous goals and roles. In the absence of knowing clearly what is expected of them and how their job fits with others, people often make incorrect assumptions and decisions which put them at cross purposes or even directly opposed to others with whom they should be aligned. In such an environment, it's not possible for people to plan and act strategically from an organizational perspective, and it's inevitable that many will engage in incomplete, self-serving communication in an effort to justify their own behavior and gain some semblance of control over their situation.

Conflict is to be expected in all work settings. In an adversarial climate, the pervasive mindset in conflict situations is that there must be a winner and a loser. This leads to continuous power struggles and more self-serving communication as people try to position themselves to win. Since more people lose than win in this environment, many "losers" drop out of the struggle to gain more power and adopt a survival mentality as their predominant way of coping. They don't make waves. They watch others get bloodied in the constant political wars, and they become a little more cynical and withdrawn with each passing year.

Those who win power typically use it in a way that others see as evidence of double standards. They take rewards and prerogatives for themselves and their close supporters that they deny to others of equal merit in the organization. Powerful managers preserve their power by taking care of their own and defending their turf with a vengeance. They tend to operate as if everything in the organization were second in importance to their activities and their department. As you would predict, distrust is rampant.



TEAM-BUILDING REQUIREMENTS

Effective Team-building requires:

1. Acceptance that the group is a team

- That members are dependent on one other in some significant ways to produce good results.
- That the way team members treat each other makes a difference in outcomes.
- That the team is composed of unique individuals with different styles and preferences—and that this diversity can be a rich source of energy and creativity in solving problems and achieving the mission.

2. Clarity regarding desired results

- Specific team behaviors.
- Specific business results.

3. The development of high-trust relationships

- Honest communication.
- Mutual supportiveness.

4. Regular focus on team process

- Straightforward coaching.
- Timely feedback.
- Encouragement to try new behaviors.

5. Realistic, fair consequences

- Affirmation of positive behavior.
- Confrontation of negative behavior.
- Tangible rewards for effective team behavior and team-building.

6. Insistence on informed cooperation as the guiding principle of teamwork

- Striving for complete communication.
- Putting the focus on execution.

7. A shared commitment by the top team to

- Tend to their personal development of team skills.
- Contribute to the development of their fellow team members.
- Improve teamwork at the interfaces.
- Lead the development of their own teams.

8. Persistence

- Sustaining a positive, we-can-do-it attitude.
- Coming back again and again to the fundamentals.

MAKING CONTINUOUS IMPROVEMENT THE WAY OF LIFE



BRING OUT THE BEST IN PEOPLE

People give their best effort on teams where leaders:

- 1. Have positive expectations and express them in clear goals**
 - when they truly believe that most people are capable and want to be productive.
 - when they honestly care about people, processes, and results.
- 2. Plan and act strategically with overarching organizational goals in mind**
 - when they are able to model the strategic actions they want throughout the organization.
- 3. Are honest and work to create an open organization**
 - when relationships are characterized by openness and directness, and a lack of political games.
 - when trust is a prized organizational value.
- 4. Create win-win outcomes**
 - when the organizational reward system supports win-win instead of win-lose behavior.
- 5. Share their power**
 - when people are able to make the decisions and control the resources relevant to their particular job.
- 6. Recognize good performance**
 - when people get direct, immediate feedback on effective and ineffective actions.
- 7. Treat others as partners instead of subordinates**
 - when everyone is able to develop a sense of ownership in outcomes.
 - when everyone is treated with fairness, dignity and respect.
- 8. Have a feeling for the whole**
 - when all decisions are guided by a shared vision and made with an awareness of context, taking account as best one can of the interconnections of all stakeholder interests.
- 9. Make informed cooperation the cornerstone of effective performance**
 - when team performance and individual performance are rewarded so that individuals aren't forced to choose between the two.



PART III. SYSTEMS ALIGNMENT

Creating and Sustaining Good Fit

“What we have done has barely scratched the surface. It turns out that there is, in fact, unlimited juice in that lemon. The fact is that none of this is about squeezing anything at all—it is about tapping an ocean of creativity, passion and energy that, as far as we can see, has no bottom and no shores.”

*John F. Welch, Chairman and CEO
General Electric Company*



THE SYSTEMS VIEW

A fundamental understanding of systems principles and a persistent commitment to take the systems view is essential if the goal is organizational excellence.

Systems Principles

1. Every organization is a complex system composed of many interrelated parts.
2. The performance of the whole system is affected by the performance of each part of the system.
3. The way each part affects the whole system is influenced by at least one other part of the system.
4. Parts of the whole system can be grouped into functional subsystems. Each subsystem has an effect on the performance of the whole system.
5. The performance of the whole system depends on how well the parts/subsystems fit and work together—not merely on how well each performs when considered independently.
6. The performance of a synergistic system is better than the performance of any particular part or subsystem and better than the performance of the sum of its parts.

Effective leaders consistently take this systems view and make it a high personal priority to teach others to do the same. It's an absolute requirement, along with a spirit of cooperation, to achieve synergistic results.



SELECTIVE PERCEPTION

No two people ever view the same organization in exactly the same way. Most of us take a strong interest in fulfilling our particular job responsibilities. Our view of other parts of the organization is consequently heavily conditioned by:

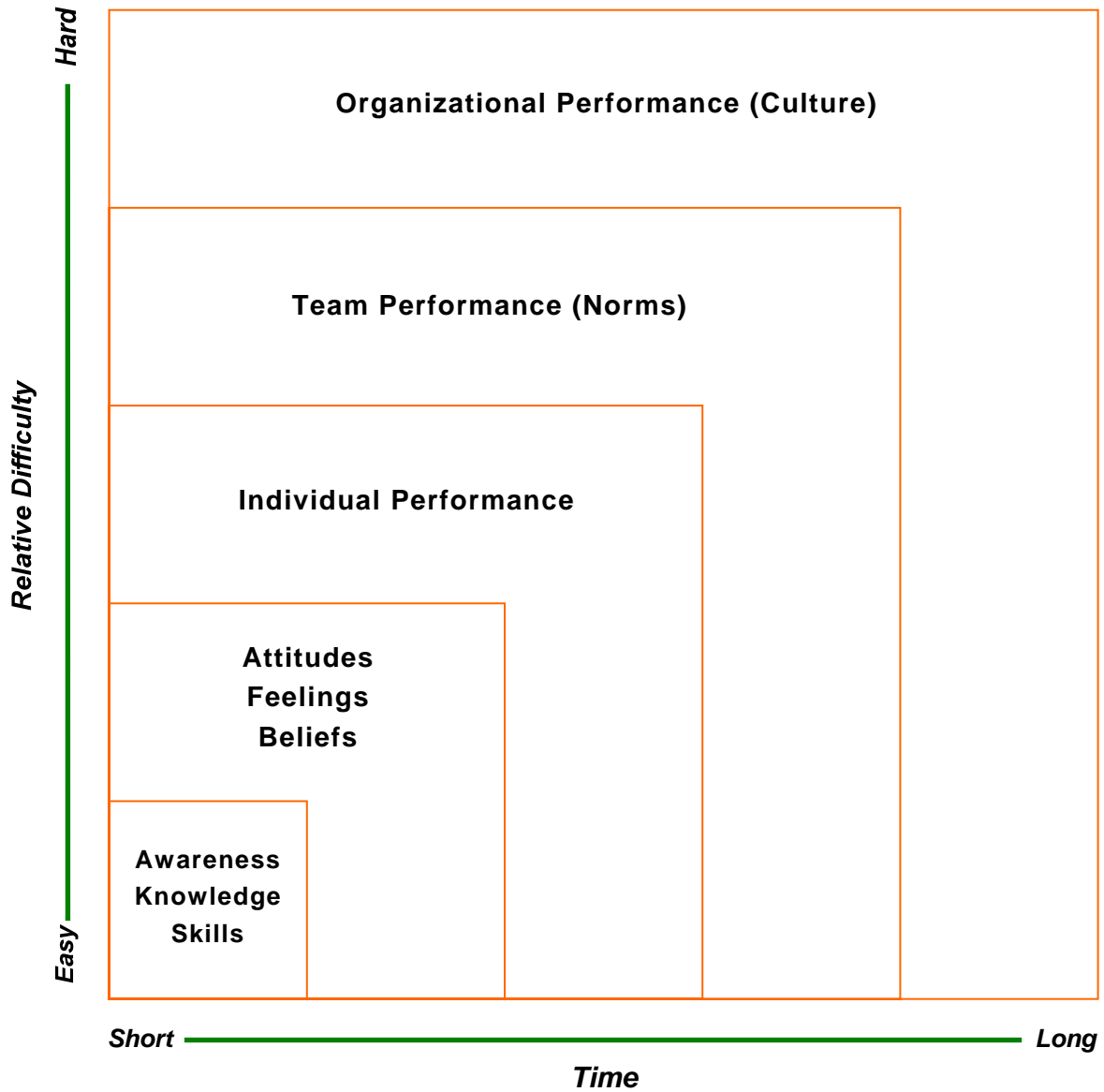
- how we see our roles and responsibilities,
- our position and our experience in the organization,
- what we want from the organization,
- what “work” is for us (what we do from day to day),
- how we perceive our internal and external customers,
- the nature of our physical environment in the organization,
- the amount of information we have,
- the freedom of movement we have,
- the particular pressures we feel,
- the degree of complexity of our work,
- the satisfactions and frustrations we experience, and
- what we see and hear about what life is like in other parts of the organization.

It’s understandable that our individual views are subjective and incomplete, but in order to be really effective contributors to the organization, we need to balance these subjective perspectives with a broader, more holistic view. In short, we need to take the systems view.

It becomes clear that maximizing our individual output may detract from our department’s performance, and similarly, maximizing our departmental output may actually decrease the overall organizational performance. It requires that we constantly seek to understand the roles other departments play in relation to ours and constantly seek the best fit between our actions and theirs in the pursuit of our common mission.



INDIVIDUAL, TEAM, AND ORGANIZATIONAL CHANGE





CULTURE AS OMNIPRESENT FILTER AND GUIDE

Cultures perform three vital functions:

1. They comfort us with their familiarity.

- It's good to know the ropes, to feel that we belong, to have a place to come home to. We may not like all aspects of our culture, but it's ours, and once we belong, we look at other cultures differently. We come to prefer the familiar and the known to the different and the unknown.
- By providing people a solid (known) place to stand, cultures satisfy a vital human need.

2. They tell us what's important.

- Our culture tells us what to pay attention to and what to ignore. Cultures are so effective in influencing our perception, it's as if someone put physical blinders on us. What we see and do is not just what we see and do, but what people *ought* to see and do.
- We value our culture and ours becomes the *right* way. *We* deal with **REALITY**; others deal with fantasy and myth. The stronger the culture, that is, the more deeply held and widely shared the beliefs are, the more resistant it is to change.

3. They tell us how to behave.

- Our culture tells us what to wear, how to greet each other, how to touch, who to touch, when to touch, how to confront, how to handle anger, etc. Cultures are the ultimate control systems. They teach us where the limits and boundaries are. To the extent they provide good guidelines for dealing with the details of daily living, they free us to think about novel and more important decisions.
- In a real sense, cultures are essential. If we had to decide anew each day all the things that culture prescribes for us, we would have a hard time getting out of the starting block.

Make no mistake about it—Culture Rules!



A CULTURE-BUILDING STRATEGY

An effective culture-building strategy needs to be:

- 1. Based on a sound understanding of the general principles of how cultures are formed, how they work, and how they change**
 - Cultures exert tremendous influence over their members. Understanding how they do it permits us to work with these processes—to shape them in our service instead of trying to overcome them.
- 2. Tailored to the specific culture to be shaped**
 - Since every corporation has its own unique culture, any efforts to shape that culture need to be specific to that situation. A cultural analysis that identifies the key forces operating in the existing culture is an essential part of a serious strategy for change.
- 3. Led by top management**
 - It's not enough for top managers to simply endorse and support a culture-building effort. They must lead it with enthusiasm and obvious determination. Their daily behavior must show a consistency of purpose that leaves no doubt about the priority they're giving to culture-building.
- 4. Results-oriented**
 - Cultural objectives need to be supportive of the organizational purpose and directly related to key performance and programmatic objectives. People want to be involved in important, productive, profitable endeavors.
- 5. A systematic program that actively involves everyone in the organization**
 - A culture is a complex system that affects every aspect of organizational functioning. It will only yield to a systematic program that aims for 100% participation.
- 6. A process that builds trust and empowers people throughout the organization**
 - Any attempts at culture-building that don't increase interpersonal trust and personal potency will eventually be rejected. Everyone in the organization shares fundamental needs to trust their associates and feel they can make a difference.
- 7. A sustained effort**
 - Cultures are formed over long periods of time and tend to perpetuate themselves. It takes persistent, daily actions over the long haul to shape an existing culture. There are no quick fixes.

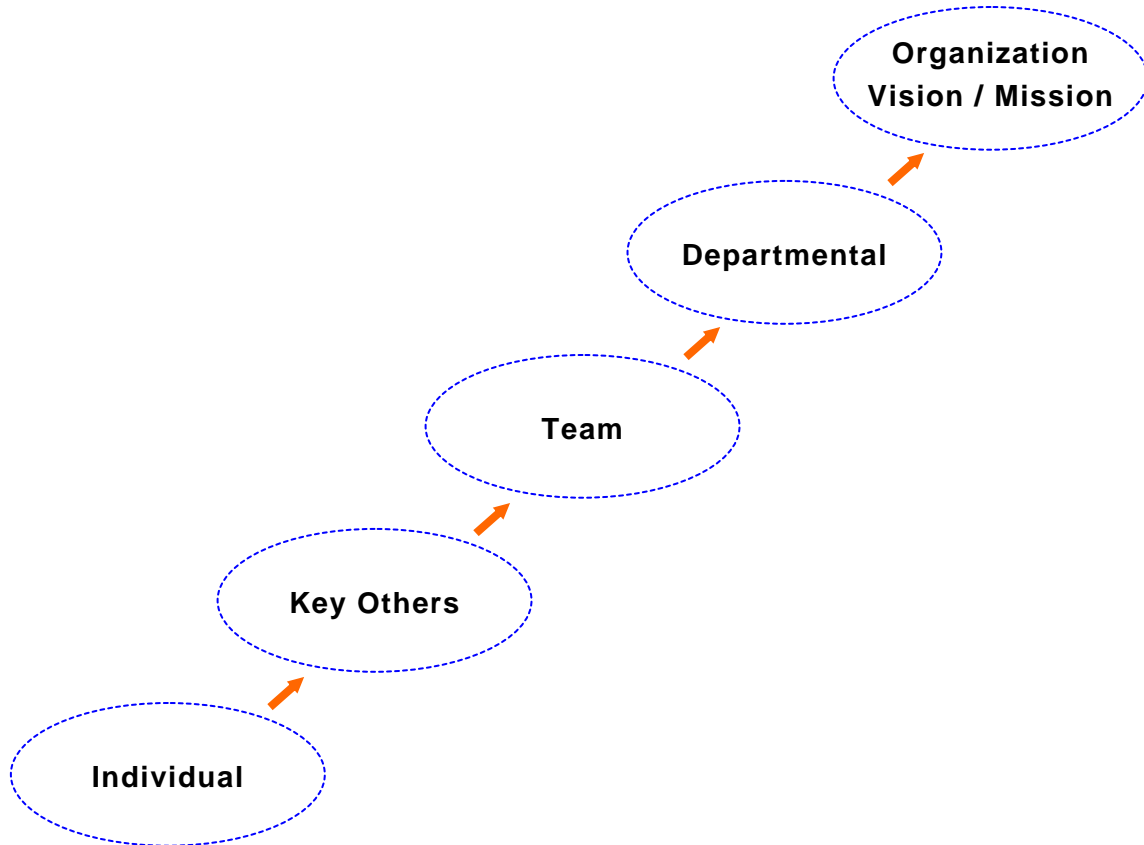


SOME CULTURAL IMPERATIVES

- *Leaders must shape an important vision and be persistent in communicating it and aligning their personal actions with it.*
- *Informed cooperation must be the prevailing organizational norm.*
- *Diversity must be welcomed and celebrated.*
- *Honest, complete communication must be encouraged and rewarded.*
- *Information regarding performance must be shared widely and freely.*
- *Integrity—of the individual, team, and organization—must be nurtured and preserved.*
- *People must be treated with dignity and respect.*
- *Empowering every person in the organization must be pursued with a vengeance.*
- *Listening to customers—internal and external—must be one of the highest values.*
- *Promises and commitments must be considered sacred obligations.*
- *People must be rewarded fairly for their contributions.*
- *An honest effort to balance the needs of all the organization's stakeholders must be a continuing priority.*
- *Quality must be pursued in every product, service, and activity of the organization.*
- *Aligning with the mission and vision must be everyone's responsibility.*
- *The systems view must be the common framework shared by everyone.*
- *Change must be welcomed—indeed, encouraged—throughout the organization.*
- *Continuous improvement must be a daily way of life.*
- *Learning must be valued equally with experience.*
- *People who do not care deeply about purpose—their own and the organization's—and who are unwilling to learn must be encouraged to find another place to work.*



ALIGNMENT



When you join an organization, you implicitly agree to coordinate your efforts with others in pursuing shared goals. Achieving good alignment is a challenge in any organization, and it increases in difficulty as the organization increases in size. It means making sure your actions fit with the directions you and your co-workers have agreed will lead to success—and it's essential if you want to achieve outstanding results.

After defining the path and making it possible for everyone to align, you may still have a few employees who are unable or unwilling to do so. When you're confident you've made a sincere effort to include them, and they insist on going their own way, you should remove them from the organization. Allowing anyone to work at cross purposes to the vision diminishes current results and demoralizes those who are making the effort to gauge everything they do by the degree to which they align with others.



BUILD A LEARNING ORGANIZATION

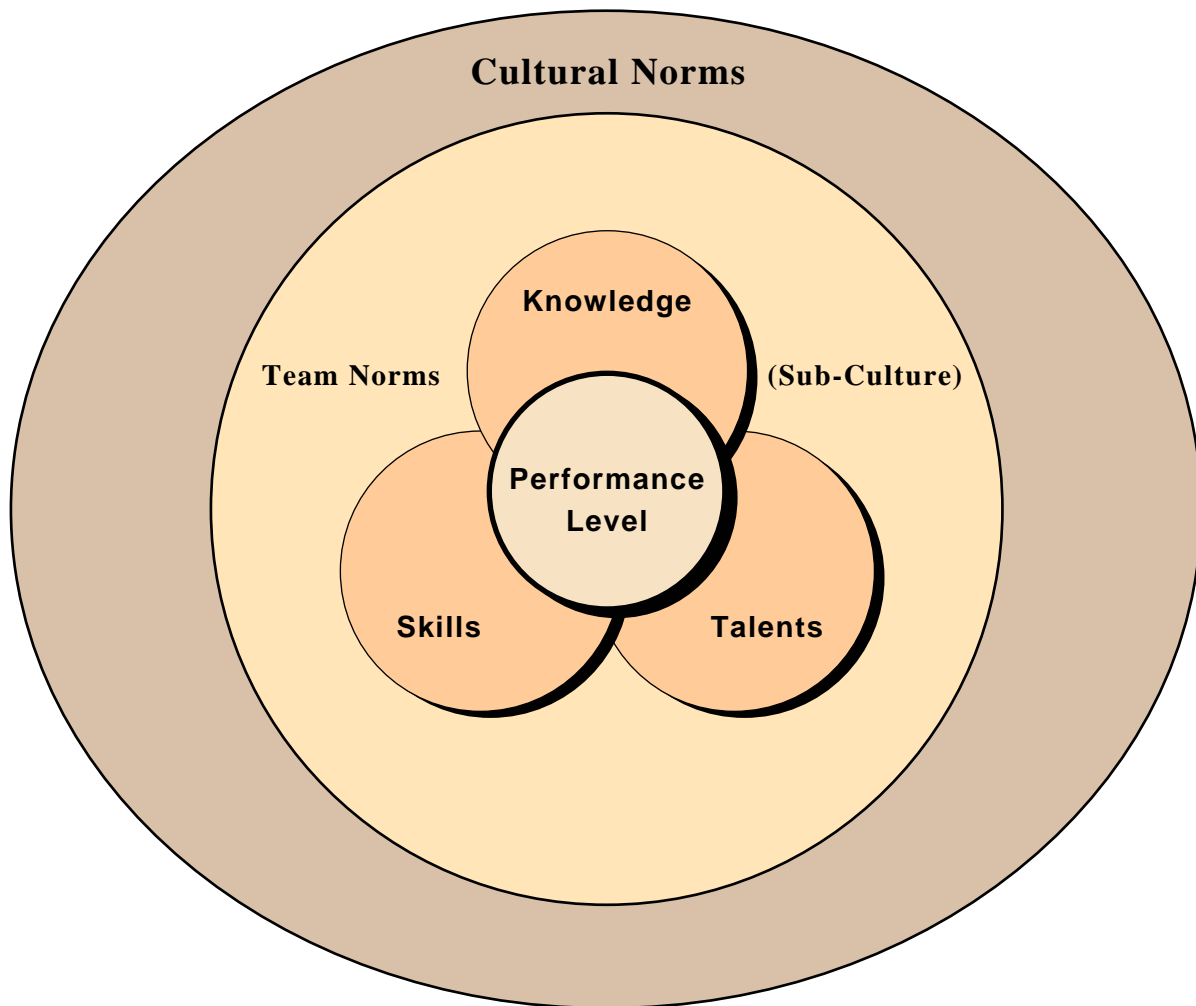


A Learning Organization continuously shortens the time it takes to transform data into value-added, actionable information and apply it to achieve outstanding results. *In the very near future, learning organizations are the only ones that will be able to survive the rigors of global competition.*



INDIVIDUAL EFFECTIVENESS

The performance level of any given individual in the organization will be a function of their knowledge, skills, and talents—and the cultural norms which influence and, in some cases, control their behavior. The teams (sub-cultures) to which they belong are likely to have the greatest impact on them, but the cultural norms of the organization also shape their behavior.





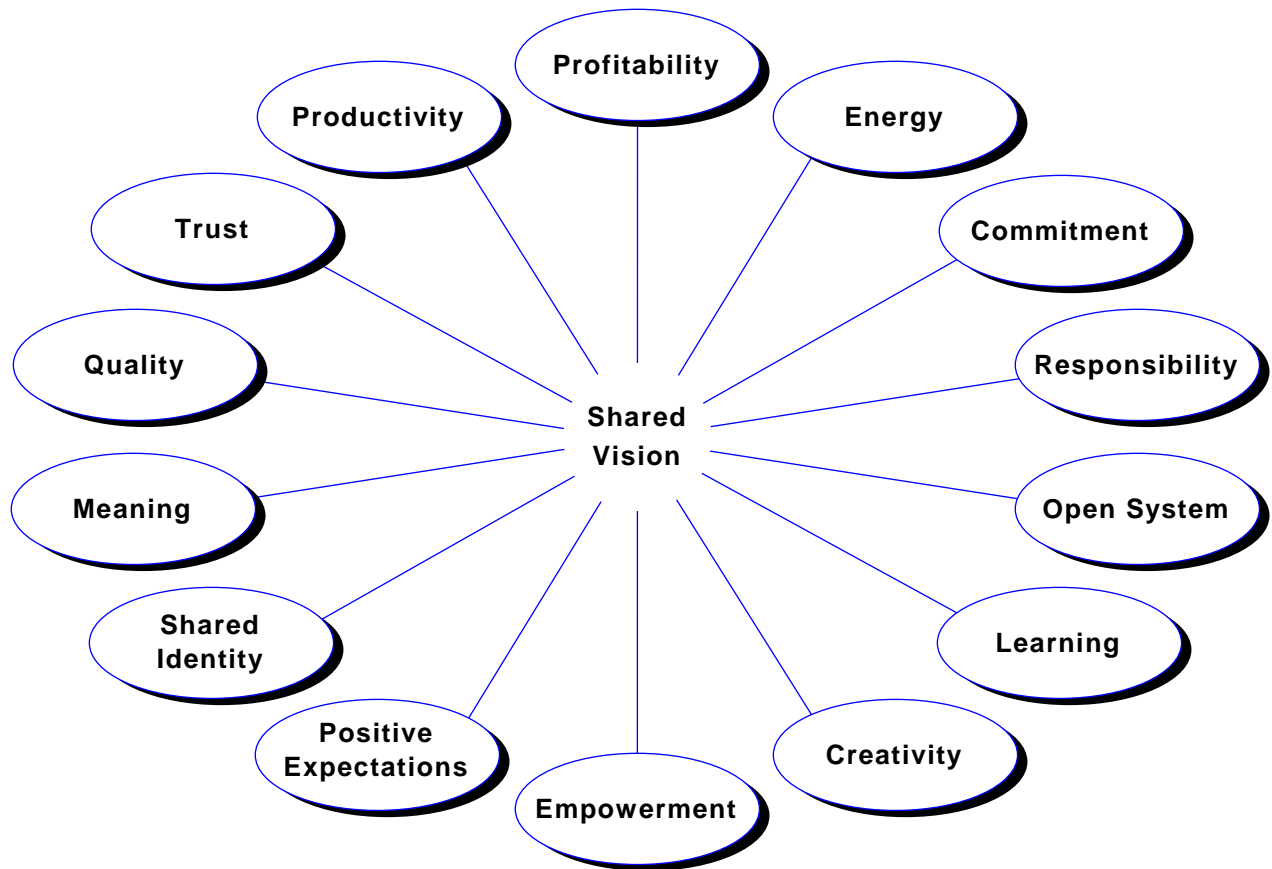
BUILD AND MAINTAIN EFFECTIVE WORKING RELATIONSHIPS

Relationships are vitally important to all of us. A good relationship is not only satisfying, it gives us a sense of well-being and makes a positive contribution to our general health—both mental *and* physical. We are social creatures, and in the final analysis, we define ourselves in and through our relationships. The quality of any particular relationship is a product of our ongoing attitudes and behavior in interaction with that other person *and* the other people in our lives. Following are some reminders to help you build productive, effective relationships.

1. First impressions do matter, and so do second, third and fourth impressions—and so does the last impression.
2. Every time we have an interaction, we have a chance to build our relationship or tear it down.
3. All relationships need maintenance—even the good ones. Without it, they become out of tune with our current realities and eventually obsolete.
4. We have to *make* time for our important relationships. Otherwise, the day-to-day nitty-gritty pushes them to the back burner.
5. We are *jointly* responsible for the state of all our relationships—the good and the bad.
6. It's best not to take everything that happens in a relationship personally. Sometimes it has a lot more to do with the other person than with you.
7. Each of us is in business for ourselves, trying to earn esteem and acceptance in all our important relationships.
8. Each person brings their own meaning to the relationship, and each views the relationship in a subjective, incomplete way.
9. Early learnings about relationships and how to form them need to be continually checked and updated against our growing experience.
10. When in doubt, listen. Listening is second in importance only to honesty as a tool for building relationships.
11. Listen to the whole message. The words are an important part of it, but the feeling tone and emotions behind the words may be even more telling.
12. The level of trust is probably the single greatest factor in determining the level of productivity and satisfaction in a relationship.
13. Honest, complete communication is the most powerful tool we have for building trust.
14. Trust becomes more important in a relationship as the other person and what we're trying to do with them increase in importance to us.
15. We must be willing and able to deal honestly and productively with the inevitable conflicts that arise in all important relationships.
16. The habitual use of power to get what you want or to control the other person is almost guaranteed to diminish the relationship.
17. Likewise, anything that generates fear in a relationship will reduce trust and the free flow of communication.
18. A sense of equality and mutual respect is the best basis for high-trust, adult relationships over the long haul.



GO FOR OUTSTANDING RESULTS

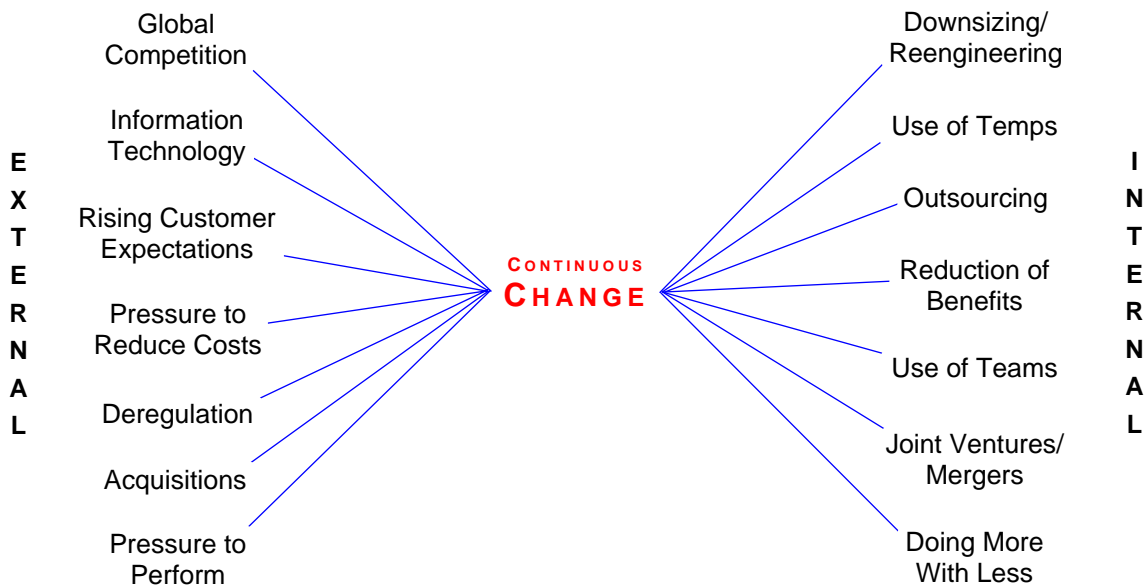


No matter what business you're in, it is prudent to expect that competition will continue to increase as hungry new competitors enter the global marketplace. Organizations that survive and thrive will have a compelling vision that brings associates to work with energy and a clear commitment to do their part in continually improving the way they serve customers. Information will be easily available to everyone in order to support the learning and creativity necessary to meet and stay ahead of competition.

Empowered people will step up to the task of dealing effectively with relentless change. They will develop positive expectations and a shared identity that are contagious and give meaning to their work. Pride in doing quality work and trust in your colleagues is a natural outgrowth of being a valued member of an organization led by people of integrity who are personally committed to a shared vision and a supportive culture.

People delight in being part of a successful enterprise. It is personally satisfying to be productive, and bright people understand the connection between organizational profitability and their personal need for a good income. Give them the opportunity to earn a fair income *and* make a contribution to an organization that adds meaning to their lives—and they will respond by giving their best.

FORCES OF CHANGE



Out of all the changes buffeting the corporate world today, a single imperative stands out above all others for individuals and organizations alike—

learn to learn rapidly or be prepared to be an observer instead of a player.



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