

# LEADERSHIP *Warren Bennis* Excellence



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**Change  
Smart**

**Warrior  
Ethos**

**Stretch Goals**

**5 Best Practices  
Raise the Bar**

**James Kouzes  
Leadership Consultant**



*"Leadership Excellence is an exceptional way to learn and then apply the best and latest ideas in the field of leadership."*

—WARREN BENNIS, AUTHOR AND USC PROFESSOR OF MANAGEMENT

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# Winning Culture

*Practice building one today.*



by Michael J. O'Connor

**I**N MY WORK, I SEE 11 *Best Practices* that are consistent with the model and process for building and sustaining winning cultures:

**Practice 1: Identify and clearly define the vision, mission, and values.** People identify moral values (ethical, integrity, trust) as the key to sustained success. Only at the owner, board, and top management level do some leaders identify economic values (profitability, financial strength, market leadership) as being more important. Employees see that financial success can't be sustained without ethics! Hence, moral values take precedence over economic values. One award-winning company adopted eight business values, and yet fewer than three of the values could be identified by any senior manager or employee. This reveals two problems: 1) what counts is the values required for success (limit them to five), and, 2) when management can identify the values, employees can too—and when not, employees can't either. Many companies experience unprecedented success by adopting a values-based business development process.

**Practice 2: Identify the expectations required to achieve what you value.** When the leaders of one values-based company with a *priority value* of integrity discovered that they'd overcharged a customer by \$200,000, they immediately informed the customer of the mistake and returned the overcharge. The customer was grateful, saying it reinforced why they are loyal—because of this provider's values-driven integrity. Their values were seen as key components of its strategies, goals, and performance management process.

**Practice 3: Provide a clear road map as the guiding action plan.** Employees of a company operating in New York City reported that 9/11 was both the "darkest and finest hour" in its 75-year history. While providing 75 percent of the equipment used to restore power and help with the rescue and recovery effort, its employees voluntarily worked tirelessly around the clock and weekends to help put NYC

back on its feet. Its guiding values, including the principle of being ethical (defined as *doing the right thing to build trust*) provided the direction that people needed to make decisions.

**Practice 4: Provide clear, meaningful communications to employees.** In many organizations, on-going informal communications and celebrations of values-based performance contributions as well as periodic events recognizing both individual and collective success have repeatedly resulted in positive impact on employee productivity and morale, including retention.

**Practice 5: It's our culture!** When one charismatic CEO failed to walk his values talk, the managers and employees stayed the course as true leaders of the culture because of their commitment to its guiding principles. The president of the company insisted that the draft of their values address a perceived problem by stating that employees "will not lie, steal, or cheat" even though he was advised to state clear, positive expectations such as "be honest, fair and responsible at all times." When employee focus groups reviewed the president's recommendations, they were furious, saying: "If that's what our leader thinks of us, I'll look for another job." Fortunately, the president adopted their wording recommendation.

**Practice 6: Keep on track by communicating ongoing positive impact.** The managers and employees of an aerospace company had seen so many leadership-adopted "fads" that they took a "wait-and-see" approach before putting its newly adopted values into action. When leaders did not provide the ongoing communications and personal alignment efforts required, this initiative, too, failed like others before it!

**Practice 7: When leaders model, others follow!** When one leader who was known to model the stated values was replaced by a new leader who was not, the company's financial performance declined, and many high performers resigned. When several values-committed owners and leaders of different organizations were faced with a severe economic downturn, they told their employees that they personally would first absorb any financial losses so that employee jobs and income could be saved. In return, employees made their own sacrifices, and company performance quickly turned around!

**Practice 8: Aligned performance**

*requires learning new behaviors.* After implementing the range of alignment training, coaching, and facilitating to effectively build and sustain a winning values-based culture, enlightened organizations experience big gains in performance, selection of more qualified and successful performing managers from within their ranks, easier attraction of desired employees based on the attractiveness of their values-based work environment, and longer retention of top performers—all contributing to ongoing business success.

**Practice 9: Strong cultures are built by recognition, reinforcement.** Employees in one value-based company are provided the same all-win opportunities. Since everyone contributes to the success, non-revenue producing support people have the same chance to qualify for recognition and rewards as others do. For example, support personnel have been awarded all-expense "trips of a lifetime," and they receive the same VIP treatment, inclusion, and recognition at the awards ceremonies and celebrations during that trip.

**Practice 10: Take decisive, effective actions to eliminate the negative!** One company with a formal set of values failed to use gap action plans to quickly, decisively resolve employee and managerial performance issues. By contrast, in a values-focused company when managers and employees were provided feedback indicating their attitudes or actions were not aligned with their values expectations, gap action plans and follow-up management support were soon provided to address the performance problems.

**Practice 11: There's only one real boss—our values!** When one executive violated the values to serve his self-interest, some high performers left. The organization then reduced the scope of his responsibility and the number of direct reports to minimize damage. Another CEO was confronted by the Chairman with his noncommitment to the values of *integrity* and *teamwork* that was eroding confidence in the culture. Unwilling to modify his behavior, he was removed from his position, restoring credibility of the company's values as the *Real Boss* for everyone! LE

Michael O'Connor is co-author of *Managing By Values, The Leader Within, and People Smart* and founder of *The Center For Managing By Values*. Visit [www.centerformbo.com](http://www.centerformbo.com).

**ACTION: Practice building a winning culture.**

