

“Like no other book, *Under the Hood* explains employee culture and why it decides to reject or support company plans.”

—ROY CHESTNUTT, chief strategy officer, Verizon

STAN SLAP

New York Times bestselling author of *BURY MY HEART AT CONFERENCE ROOM B*



UNDER THE HOOD

FIRE UP AND FINE-TUNE
YOUR EMPLOYEE CULTURE

Bury My Heart at Conference Room B Awards and Top Lists

1. *New York Times* bestseller
2. *Wall Street Journal* bestseller
3. *USA Today* bestseller
4. 800-CEO-READ best in category
5. *Inc.* Best of the Year list
6. *Fast Company* Best of the Year list
7. *Miami Herald* Top 10 business books list
8. *Soundview* Top 30 best list
9. *Booklist* Top Ten Business Books of the Year: Starred Review
10. *Publisher's Weekly*: "must read"

Praise for the *New York Times* bestseller *Bury My Heart at Conference Room B* by Stan Slap

"I urge you to follow where Stan Slap fearlessly leads us. He has the answer to making a career in management actually bring you a fuller, richer, better life."

—**GEOFF COLVIN**,
author of *Talent Is Overrated*; senior editor at large, *Fortune*

"A subversively radical triumph of a book that uniquely and definitively demonstrates the mystery of how organizations succeed."

—**WARREN BENNIS**, distinguished professor
of business at the University of Southern California; author of
Still Surprised: A Memoir of a Life in Leadership

"Slap has written the holy grail for companies seeking the most from their managers and for managers seeking the most from their companies. It is fascinating, thought provoking, and actionable. This book is not just a 'must read' but a 'must experience.'"

—**JACK CALHOUN**, president, Banana Republic

"This book has the answer for any manager who thinks there must be a better way to do the job without hating the job. The single most powerful management book I've read in years."

—**JASON JENNINGS**, author of
Hit the Ground Running; *Think Big, Act Small*; and *Less Is More*

"Stan Slap's approach for developing managers who care resonates deeply with the principles we at Four Seasons strive to embody. There are great insights here for creating a true culture of ethics, integrity, and heartfelt service."

—**ISADORE SHARP**,
founder, chairman, and CEO, Four Seasons Hotels and Resorts

“Whether you are a first time supervisor or a CEO, reading this book will allow you to tap into the secret that will drive organizational success.”

—**JULIA STEWART**, CEO, DineEquity

“You have to read *Bury My Heart at Conference Room B*. Stan Slap covers all the bases. A warm, witty book that will take you and your organization to a better place.”

—**KEN BLANCHARD**,
coauthor of *The One Minute Manager*® and *Leading at a Higher Level*

“This book is game changing in a way I have never seen in a business book. I learned about myself and gained new insights into the work I’ve been doing for thirty years. It is a spectacular read.”

—**JOHN RICCIHELLO**, CEO, Electronic Arts

“Humanity in any organization, whether professional or political, is what will save us. The world needs this book.”

—**AMIR A. DOSSAL**, executive director
United Nations Office for Partnerships

“A provocative read sure to appeal to managers who want to connect with their employees in a fresh, meaningful, and lasting way.”

—*Publisher’s Weekly*

“The notion that values matter—in the workplace as well as at home—is certainly not new to the ranks of management gurus and corporate leaders. What are novel in consultant Stan Slap’s first book are his passion for the subject, which bleeds from every page, and his easy-to-use framework for identifying and promoting values throughout the business world. . . . In a passion-infused narrative, Slap gives every manager the tools to change.”

—*Booklist*, starred review

“With humor, pointed anecdotes and historical allusions, [Slap] has delivered a readable, realistic guidebook for organizational leaders and managers at all levels that has a lot of heart in it.”

—*Fort Worth Star Telegram*

STAN SLAP

**UNDER
THE
HOOD**

**FIRE UP AND FINE-TUNE
YOUR EMPLOYEE CULTURE**

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For Sawyer Rocket

1, 2 . . . 5!

A NOTE TO MANAGERS WHO DON'T EVEN HAVE TIME TO READ THIS SENTENCE

ALL STUFF, NO FLUFF

Your employee culture is not the same thing as your employees and it is far more important as a driver of business impact. This book will finally explain how an employee culture actually works and exactly how to work it. It will provide plenty of new insight for you, and it will allow you to get an astonishing level of commitment from your own culture, along with the flexibility, resiliency, accountability, and innovation that come with it. This is a book about results.

MAKE IT YOUR OWN

Of course I want you to cancel every listing on your calendar, bar the doors, and read this book start to finish in one jaw-dropping, life-changing lost weekend of epiphanies. That will give you the ultimate understanding of culture, which is the ultimate key to your success as a manager. But if you're facing an urgent performance issue, you can also self-curate these pages for focused help.

Go right to the Original Sin to get the essential explanation of what your employee culture really is, and why it chooses to buy or reject any management plan. Go right to any of the other Seven Sins for fast tactical steps you can take around issues like change, communication, and compensation. Go right to any of the Four Vulnerabilities to fix circumstances of unusual stress on your company.

What I want most for you is the success you want for yourself.

Let's go.

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**Your great ideas? Your grand theories?
Those are parlor furniture.
Come with me . . .
I'm going to take you down to the
cellar and show you how the house
really works.**

—SIGMUND FREUD

**UNDER
THE
HOOD**

INTRODUCTION

THURSDAY MORNING. 7:30 a.m. I've been asked to an urgent meeting with the senior strategic team of a very well-known IT company.* They are not happy.

“Seriously, this strategy could be a matter of life and death for us,” one of them explains earnestly. “We’ve made some mistakes, okay? And we’ve been slow. We’ve got one big move left, and if we don’t get it right we’re going to be irrelevant in a competitive market and never recover.

“We do have a turnaround plan, and we know it’s really good,” he insists confidently. “We’ve actually had it for a while, but we’ve waited to implement it until we got the whole company on board. It’s going to need a lot of change from our people.”

“So we did everything right,” chimes in another. “The big strategy kickoff, then the regional strategy road shows, then the employee intranet strategy site. We did the strategy T-shirts, the strategy posters,

* You’d know the company right away—it’s a multibillion-dollar iconic enterprise—but in this one case only, I’m not going to ID it. As of this writing, their strategy is still live. Besides, the point of the book isn’t to make managers feel dumb; it’s to make them even smarter.

the strategy mouse pads, the strategy screen savers, and the strategy wallet cards.”

“We did those balloons,” adds a third.

“That’s right! We did the strategy balloons for everybody.”



“On the eve of execution we decided to audit our employee culture,” they continue. “Not because people didn’t know about the strategy. You’d have to be brain-dead not to know about the strategy; it’s all we’d been talking about for eight months. It’s that we’re sure our turn-around is going to work. This is going to be taught as a case study someday, and we figured some proof about all the patience we showed under pressure would make it even better.”

“So we polled our entire employee population and asked only one question: Do you understand our new strategy? When the answer came back, it was overwhelming.”

“No.”

“What is *wrong* with these people?” they moan.



Nothing is wrong with the employee culture. What’s wrong is that the executive team didn’t read the whole response. The employee culture wasn’t actually saying, “We don’t understand the strategy. You’re using too many big words.”

The employee culture was saying, “We don’t understand why we should get up for making the strategy happen.”

With all the rah-rah and blah-blah, management forgot to acknowledge the mantra of successful selling: You must respect why your customer buys. And the mantra of this book:

You can’t sell it outside if you can’t sell it inside.

1, 2 . . . 10!

Increase revenue. Increase margin. Don't just make market share; take it. Improve customer reputation. Improve product quality. Get to market faster. Put major distance between you and the competition. Become one united team across business units.

What employee could argue with the irrefutable logic of these corporate performance strategies? In a perfect world, your own employees would immediately grasp the logic and devote themselves wholeheartedly to achieving them.

Wake up, wipe the drool from your desk, and say “hi” to reality.

In the real world, neither business logic nor management authority nor any compelling competitive urgency will convince an employee culture to adopt a corporate cause as if it were its own. In the killing field between company concept and employee commitment lies many a failed strategic plan.

Want your employees to buy a new management goal? You have to know how to sell it to them. This means selling to your employee culture—knowing how the culture works and how to work the culture.

We're not just talking about a bunch of employees. When they form a relationship with a company, employees become a culture and are far more self-protective, far more intelligent, and far more resistant to standard corporate methods of influence. A culture is a distinct organizing framework that gives your people a motivation fundamentally different from the company's motivation.

It's not late-breaking news that you *have* employees, but it's only when you truly understand them as a culture that problems once considered chronic are finally resolved, and opportunities once considered unattainable are finally realized. The difference between understanding your employees and understanding your employee culture is the difference between whether your performance goals succeed or fail.

FROM MACRO TO UH-OH

You're going to need that understanding. Like any company, your company regularly bets its life on the ability to roll out new strategies to the marketplace—ahead of schedule, ahead of budget, on the heads of your competitors. Yet most strategies in most companies don't really work. They don't really do what they were supposed to do, don't really cost what they were supposed to cost, and don't really happen when they were supposed to happen. They only look like they're moving forward because they're being slammed from behind by the next strategy.

This is because even the smartest companies subscribe to the most dangerous strategic myth: A strategy has to be planned well to be successful. In fact, a strategy has to be implemented well to be successful.

Successful implementation starts with being able to enroll your employee culture in fierce support of the strategy. If you can do this, you're well on the way to achieving strategic insurance. If you can't, and you think any strategic or performance goal will be successful without the hard-core support of this particular group, you're building a base camp on Mt. Delusional.

WHAT THIS BOOK WILL DO FOR YOU

This isn't another book about how to successfully manage employees; it's a unique book about how to successfully manage an employee culture, which is a whole different thing.

Yet an employee culture is the *same* thing whether you have two employees, 200, or 20,000, or whether your employee culture is located in Manhattan, Mumbai, or Machu Picchu. And the best ways to gain its ultimate commitment are the same, whether you are a senior manager with responsibility for the entire company or you are a line manager with responsibility for a single team.

If you have a wonderful employee culture, this book will help you scale it. If you have a troubled employee culture, this book will help you fix it. If you have an employee culture under pressure, this book will help you ease it. If you have a new employee culture, this book will help you shape it. And if you are investing in a company, this book will help you protect your greatest purchasable asset.

There is often frustration among managers about why an employee culture acts the way it does: Why can't it just dependably support what's important to the business? But it's not up to an employee culture to understand the business logic; it's up to the business to understand an employee culture's logic. This book will explain exactly why your own employee culture may choose to resist supporting a strategy or performance goal and explain practically and tactically what to do about it. Not just to gain your employee culture's support. To gain your employee culture's maximum, dependable, adrenalized support.

Along with frustration, there is a belief among some managers that there's a genetic limit to an employee culture's willingness to give sustained commitment and loyalty. There's not, of course, but this book is going to blow the cap right off *any* limitation. You'll learn how to get whatever you want from your employee culture, whether it's greater commitment to the company and its goals, increased accountability, increased innovation, rapid acceptance of change, improved speed and accuracy of execution, or representation of your company's best intentions to your customers. Whatever plan you have for increased performance, I can assure you it will be far better protected and promoted by your people.

I can assure you because for years I have been applying these same proprietary methods in many of the world's most successful, demanding organizations in information technology, financial services, entertainment, mobile, manufacturing, and retail—creating large, sustained metrics impact for companies that don't include "Patience" on their list of corporate values.

MYSTERY ACHIEVEMENT

As a kid I was notorious in my family for certain behaviors. One of them was being very hard to bluff: Parents: “Eat your vegetables; there are people starving in China.” Me: “Name one.” Another was an obsessive curiosity about how and why things work. How did it come to be? Where is the power? How can it go faster, do more, or do something new? How do you fire it up, fine-tune or fix it? What is under the hood?

I carried this obsession into adulthood and into business. It causes the results my company gets for our clients today. That’s because I found the ultimate answer to how and why things work. An employee culture is the power that drives the enterprise engine. Fire it up and it will take you wherever you want to go; fine-tune or fix it and it will take you there faster. You want maximum business performance? Look under the hood and you’ll find your employee culture.

Under the hood there is both power and mystery. To harness the rumbling power of your employee culture you’ve got to solve the mystery of what that culture actually is, how it operates, and how to move it forward. These are the keys that this book is going to put right in your hands and that’s a real good thing. A company that will achieve long-term progressive success without them? Name one.

LET’S MAKE IT PERSONAL

My company is renowned for achieving maximum commitment in manager, employee, and customer cultures. That’s what we do; the reason I do it is because I believe that, short of homicide, the worst thing one human being can do to another is to make them feel small: *You’re not. You can’t. You won’t ever be.* This is a killing of the soul, of hope, and of potential. Domination and disregard drive me absolutely nuts, whether it’s committed by individuals or by organizations.

The world works, and it is affected by work. A person made to feel small on the job doesn't stay on the job. These same people are parents, partners, neighbors, and voters: The toxic impact is incalculable. Nothing—no motive, no circumstance, and no position of authority—grants the right to cause it.

The passion that fuels my work is that nobody should be diminished by business—working in it or buying from it. This may be a noble sentiment, but it's too unproductive to interest the typical profitable enterprise, so I long ago translated it into a series of high-impact ROI methods that most definitely do.

When an employee culture is repositioned as a newly precious, workable asset, a company will naturally protect it, same as with any asset. An employee culture can't be protected without protecting the humanity it represents and without managers reclaiming their own humanity where it may have disappeared in the labyrinth of their job descriptions.

If we lose humanity in business, we're all doomed. If we save it—company by company and manager by manager—we will have saved ourselves.

In case you fear this icy hand of altruism will grip your own company by the throat and choke the life out of revenue, not to worry: We're talking here about making the business case for humanity. In any environment where meaning is determined by metrics, the point of view and processes in this book are going to cause measurable, sustainable results.

BETTER YET, LET'S MAKE IT PERSONAL TO YOU

James Bond is strapped to the table as a laser beam relentlessly moves to cut him in half. As it's about to reorganize critical parts of his anatomy, Bond frantically offers, "If you kill me, they'll just send another agent to take my place." Goldfinger gives him the villainous eye roll. "I don't think so, Mr. Bond."

“Can you afford to take that chance?” Bond counters, and the laser is shut off.

If you’re a senior manager and all the last major strategies or critical performance goals in your company worked just like they were supposed to, maybe you don’t need to leverage the true motivations of your employee culture. But they probably didn’t, and considering that your company’s success in a hypercompetitive market—as well as your own success and legacy—could depend on the next one, can you afford to take that chance?

If you’re a manager at any level, you’re going to constantly be given a strategic handoff to drive over the line—your part of a financial goal or organizational change. Considering that your job success involves achieving results through others and that those others work for you, an unerringly accurate understanding of an employee culture is the most important information you can possibly have. You could gamble on achieving results without it. But can you afford to take that chance?

SEVEN THINGS. AND ONE MORE THING.

Despite constant reminders that it won’t work, enterprise strategies and performance goals remain front-loaded on the planning side, with implementation expected to be carried out by the logic that calls for them or the bribery that pays for them. Let’s call this 1, 2 . . . 10! In between 1, 2, and 10! are the Seven Deadly Sins of Cultural Commitment that cause employees to limit or deny their support.

Note to overachieving managers: The key is to avoid all Seven Sins, not to accomplish them.

Commitment is an act, not a word.

—John-Paul Sartre

PART 1

THE SEVEN DEADLY SINS OF CULTURAL COMMITMENT

Take me to the river.

—Al Green

Give them freedom from above or they will take it from below.

—Alexander II (1865)

THE ORIGINAL SIN
FAILURE TO RESPECT
THE POWER OF AN EMPLOYEE
CULTURE

Heat the beat, and the rest will turn sweet.

—James Brown (1965)

THE MYSTERY OF AN EMPLOYEE CULTURE IS SOLVED. THE POWER IS CONFIRMED.

All of the Seven Sins are important, so they're not listed here in any particular order, except for the first one. The Original Sin, from which all others are born: a failure to respect the absolute power of an employee culture to make or break any management goal—and any manager right along with it.

If you're a manager with a deep preference for control, the idea of surrendering it to an employee culture around issues as critical as the execution of strategies and performance goals may seem difficult or dangerously counterintuitive. Oh, don't worry about that: The control isn't yours to surrender anyway. Who is going to decide the success of your company or team's goals? If you're the one running it, start by scratching yourself right off the list. Your employee culture has the first vote. If the culture wants something to happen in your business, it will. If it doesn't, it won't.

Wait, it gets worse: Your customers are employees somewhere, too, so they belong to the overall employee culture. They'll decide to protect or reject your company in part based on how they perceive your company treats people just like themselves. Unless there are flagrant circumstances—you're renowned as the best employer or the worst—this perception will be an intuitive mind meld between your employees and your customers. It's going to be based on what kind of legitimate enthusiasm your people show for your products, pricing, and policies. As employees somewhere themselves, your customers know they themselves would never show the same legitimate enthusiasm unless they were being treated with deep understanding and respect.

All of this should cross your mind when considering the win/loss odds of any important management objective. Or cross your legs, if you really think about it.

WELCOME TO THE JUNGLE

Culture may be the most overused but least understood concept in business. Many managers sling around the word, although few have an accurate working definition of what an employee culture is and how it makes decisions. Even fewer have the proper respect for the power of an employee culture to bury them and their filthy little strategies if it wants to.

Let's make really sure you're not either one of those. You're already smart, or you wouldn't be reading a book about how to get smarter. Getting smarter about an employee culture starts where the biggest implications for business first started.

The concept of culture has been around for a while and has been examined by a number of esteemed intellectuals* including Margaret Mead, who famously field-researched primitive native tribes in the Samoan jungle around the turn of the last century, reaching formative anthropological conclusions.

Margaret, or "Dinner" as she was known to the natives, discovered that what appeared to be the simplest of societies, without any modern methods of communication, were actually highly developed communities with specific rules of behavior and complex rituals governing birth rites, death rites, celebratory feasts for the Chief, relationships with other tribes, and locations of safe watering holes. Remarkably, everybody in the tribe obeyed these rules faithfully and practiced these rituals accurately.

* Important thinkers include Bastian, Benedict, and Boas, and that's just the B's. There's more information about anthropological science in the Research Notes and Tangents section at the end of this book. I put it at the end because you need to know what your employee culture is up to before you get distracted by reading those pages.

“How can these primitive societies originate, stay together, and pass accurate information from person to person?” Maggie wondered, as she was being bound hand and foot and sprinkled with salt. Her answer, and none too soon, by God, was that the social system that brought the natives together, created their ability to communicate, and maintained their willingness to abide by the same behavioral standards was something called a “culture.” Culture, Mead said, “is the body of learned behavior by which a group of people who share the same tradition, environment and lifestyle transmit that knowledge . . . among themselves and members of society.”

The natives weren’t sure what to do with that either.

Here’s the bottom line: *A culture is your employees’ shared beliefs about the rules of survival and emotional prosperity.* “How do I survive—in this company, on this team, working for you—and once I know I’m going to be okay, how do I get rewarded emotionally and avoid punishment?”

Whenever people share the same basic living conditions, they band together to share beliefs about how best to survive. The more people there are looking for the safe watering hole, the safer it is for everyone. The conditions Mead noted in that Samoan jungle are therefore the same conditions present in any organizational environment.

In your own organizational environment, you have a group of people who share the same basic lifestyle, environment, and traditions. They all work in the same industry. They all work in the same company. They all work in the same line of business. They all work on the same team. They all work for you. They are all part of your employee culture.

There are two important things you need to know about this. Right away.

THE FIRST IMPORTANT THING

An employee culture isn’t just self-protective. An employee culture exists to protect itself. Once you get this, your employee culture be-

comes the simplest operating system in the world. It is an information-gathering organism, designed to assure its own survival.

That's its *own* survival—not yours, and not the company's. Even though it seems that a through line logically links success for the enterprise with survival and emotional prosperity for the culture, that logic would depend on the employee culture perceiving a reliable connection between what happens to the company and what happens to the culture. As you'll discover in this book, this is rarely the case, and it is rarely the culture's fault.

Because it's self-protective, it's a little crazy. Even on its best days an employee culture is neurotic and prone to hypochondria. How could it not be? It is trying to understand how to survive in an environment it can't reliably anticipate or control. On its worst days—which ironically can be some of the company's best days—it's in a snarly, hostage-taking mood. Ignore this, and that decision will come back to bite you—and the culture will, too. Snippy and Pissy aren't cartoon characters; it's your employee culture under pressure.

THE SECOND IMPORTANT THING

You are not part of your employee culture. As a manager, you may be friendly with your people. Maybe you're friends with some of your people. Maybe you used to be one of your people and got promoted. But you're not part of your people's culture—you're management, standing outside of the culture, trying to sell it something. You do have a special place in the culture, though, as the key influencer of its survival and emotional prosperity. It's a lonely place, but it's special.

True, you are also an employee if you are a manager, but in the relationship with your employee culture you are foremost a member of the culture of management, be it executive, middle, or entry level. The rules of survival and emotional prosperity for managers, and within each of these manager levels, are distinct unto themselves

and distinct in many ways from those of the general employee population. The considerable influence of managers over their employee culture further isolates managers, keeping them from being part of it.

THE CULTURE'S VISION STATEMENT: KEEP A WARY EYE ON YOU

The implication of this for you as a manager is that your employee culture's antennae are constantly working, tracking you and seeking information. The culture's credibility detector is infallible. Its perceptions are alarmingly accurate. Its memory is everlasting. Quick recap: the prodigious recall of a wizened elephant combined with the impact potential of a rabid wolverine.

There isn't much that goes on that the culture doesn't know about; it's always watching, always gathering and sifting information, always updating its perceptions. It knows when you've been naughty. It knows when you've been nice. It knows that you're reading this page of this book. You can't sweep anything under the rug to hide it from an employee culture. A culture *lives* under the rug.

Your employee culture will notice what you emphasize, what you reward, what you give priority attention to, what you ignore. It will observe why you protect and promote, why you punish. It will watch to see whether you defend what's important to you under stress or temptation to compromise. The culture will use all of these impressions to form beliefs about how to behave in order to best serve itself.

It won't ever tell you what it believes—and don't think you can send a spy into the employee culture with orders to infiltrate and report; the culture will mail you back the body parts—but it will show you what it believes by its actions or its hesitancy to act.

There is no indecipherable algorithm here: It is not that your employee culture's behavior is unpredictable; it is that the culture perceives critical information as unpredictable and so isn't sure how to

regularly behave. The culture rarely gets all the information it wants, the backstory, or the chance to confirm directly with the source.

Does your employee culture ever get it wrong? Sure. Not intentionally and not very often, but since it can't always confirm the accuracy of the information it's collecting it has to take a best guess at interpreting the meaning and implications. Like any human organism, once it reaches a conclusion it tends to seek further information as confirmation of its existing belief system, which can compound the error.

An employee culture cannot survive with any sanity in a state of complete unknown. It needs to believe that *something* is real so it can take action to regulate its circumstances. The culture is going to act on its perceptions: Inaction isn't the wisest option when pursuing safety in an uncertain world. Your employee culture's perceptions are not just its reality. They're going to be your reality, too, unless you understand where they came from and how to recalibrate them as needed.

How, then, do you manage an employee culture? The more you know about how it works, the more it may seem unmanageable.

You can't bribe, bluff, or bully an employee culture into sustainably doing anything. You can't tell the culture what to believe. You can't stop it from existing. But you can take comfort from knowing that an employee culture is the utmost rational system, agnostic and objective about everything except its own survival. And it isn't static—it is focused on survival, so it must remain constantly open to receiving and evaluating new information. Nothing is fixed in a culture's belief system except why it needs to believe something.

Based on its own perceptions, an employee culture rarely does anything illogical or unpredictable. Neither is it asking for motivational fairy tales. It is asking for management demands to be imbedded with respect for what is most important to the culture that is expected to deliver on them. And while it is naturally suspicious, it isn't naturally hostile to business goals. Your employee culture wants to do the right thing. It believes that the right thing is to protect itself. Don't fight this; honor it, and you're on the way to the culture linking its own protection to protection of the business.

HOW I FIRST LEARNED ABOUT CULTURE

◆ Every executive should work in retail at some point. It's a great way to learn that every strategy, no matter how daring or darling, has to make the cash register ring. And it permanently imbeds images of customers and employees connecting at the sales counter—the magic moment—which is what business is all about.

My own retail experience began when I left home at sixteen and worked as temporary Christmas help in a record store and nine years later concluded as part of the executive management team of a retail bakery chain called Mrs. Fields Cookies, as we built it from nineteen stores to over 300 and took it into four countries. That was a long time ago, so if you've had a bad cookie since, gimme a break.

Those cookie store jobs weren't rocket science, but then again, rocket scientists don't have to build the entire rocket, sell it, and clean the factory when they're done. Our thousands of employees, largely unskilled labor, were responsible for making the cookies from scratch, selling them, collecting the cash, and maintaining the facilities. Anything and everything could go wrong if they weren't motivated to do their best.

The stores' performance was the company's performance, so the metric I always looked at was our customer average sale. It was a single key indicator that showed multiple forms of operational readiness: For that number to be high, the product had to be good and available, the service had to be fast and friendly, the staff had to be sufficient and happy—and they had to be cross-selling milk with the cookies. The customer average sale was nowhere near where I wanted it to be, mostly because the selling of milk wasn't happening.

I sent memos to the district managers, then I sent the district managers to the stores, then I called the stores personally with an explanation that simply suggesting milk could increase the average

sale by as much as thirty percent. Multiplied by a hundred thousand cookies a day in stores open every day, this was a big revenue number.

But our employees wouldn't do it.

Finally I hit the road myself to meet personally with every store team. "You eat cookies at home with what?" I asked them. "Milk," they responded immediately. "When I say 'warm cookies,' what do you think of?" I asked them. "Milk," they responded immediately.

But they wouldn't do it.

Exasperated, I started thinking less about what I wanted our employees to do than about who they were. Most were just turning eighteen, and everything in their lives was subject to change. Relationships were ending or getting more serious. School was harder and more important. Money, once provided to them, now had to be earned. Decisions about the future were expected and carried more weight. As a result, our employees had pretty much lost the mirror that confirmed who they were, which could be frightening.

I wanted to make the case that all of that uncertainty didn't matter in one circumstance: If you were allowed behind the counter at one of our stores, it was because you were something special. And if you wanted to believe that about yourself, you would perform to a certain standard. So one day on a tour of the San Francisco stores I had large posters printed and installed in the back rooms of all of them:

WE ARE QUALITY.

We will serve nothing less than perfect cookies.

We will treat our customers like family.

We will work as a team and win as a team.

We will keep this store so clean it sparkles.

We will beat all sales projections.

It wasn't exactly a big initiative. Took me about ten minutes to write, a minor attempt to address a major problem that I was run-

ning out of ways to solve. I knew it was cheesy and I didn't really think it would work. I didn't think about it at all after the posters were installed.

Until weeks later, when I was back in San Francisco and noticed that not only were the posters still up, employees in every store had voluntarily signed them. As I entered one store, they were in the midst of singing "We Are Family" to customers. What? Wait a minute. What?

Ever have one of those experiences that you are aware is being etched permanently into your memory right as it's occurring? It wasn't on the store visits but later that night in the cab back to my hotel. All these years later, I still remember riding in that taxi, knowing that I had been taught a tremendous lesson. Some sort of secret door to influence had briefly revealed itself, but how? What had happened?

What had happened is that this was the first time I had unknowingly stopped thinking of employees and started thinking of an employee culture. A life force with its own purpose, logic, and source of energy that had to be met on its own terms.

And the forty-one percent increase in average sale. That happened, too.

KEY TO THE HIGHWAY

The defining characteristic of the relationship between a company and its employee culture is tension. It is a tension based on different perspectives about priorities, power, pressure, and definitions of success. Without real understanding of the other's deep-set views, the motives and process of an employee culture often remain unfathomable to management, and the motives and process of management often remain unfathomable to its employee culture.

This chronic unease about the difficulty of forecasting the other party's decisions translates into threat conditions for both. It makes the risk to survival and emotional prosperity a front-and-center priority for an employee culture, which causes the culture to detach emotionally from the company's goals and assurances. The culture remains suspicious and resistant to embracing the unknown. That's too bad, because "unknown" happens to be territory that a company frequently has to occupy, and the employee culture's commitment is what's most needed to conquer it.

The very thing that management uses to define enterprise success—the relentless drive forward—isn't determined by a strategic map that reveals the destination but by the engine that makes the trip possible.

THE COST AND EFFECT

Management generally considers three types of resources on hand for strategic execution: time, talent, and dollars. But there's a fourth that trumps the three: commitment of the employee culture. There are many bad decisions a company can make, but few that can't be made good by an employee culture's decision to course-correct it. There are many good decisions that a company can make, but few that can't be made great by an employee culture's decision to protect it and promote it to customers with its own good name.

Those once-august companies who are now stories of faded glory have lost the willingness of their employee cultures to protect the flag it once planted. Groovy new companies are planting the flag in shallow ground if they think that plenty of stock and snacks will buy their employee cultures' enduring devotion. When things go wrong, these kinds of companies will shift blame to the employee culture for its failure to commit—labeling it as change-resistant, willing to sell allegiance to the highest bidder, intellectually incapable of understanding

the finer points of business cause and effect, and emotionally incapable of sustained loyalty.

None of this is true. Your own employee culture will give you everything you want, but you have to give it what it wants first. This is the difference between defiance and compliance and, once you know how, it won't cost you much to do.

Not doing it will cost you plenty.

DO THIS NOW

GIVE YOUR CULTURE ENERGY

A culture is an organism. Like any organism, its first priority is to survive. In order to survive, it needs energy, which it prizes as a priority. An employee culture has an extraordinary need for energy, which it uses to fuel its constant work of taking in information—announcements, facts, rumors, patterns, what is said and left unsaid—crunching it to extract relevant implications and simultaneously maintaining defense shields against the unknown.

Uncertainty costs an employee culture plenty of its energy. The more unsure it perceives its environment to be, the more fuel it must expend translating messages into meaning and the more formidable those defense shields have to be. Even if there's no actual threat, hunkering down in constant anticipation of the unanticipated takes a lot of effort. The more exhausted your employee culture gets, the more it will use its remaining energy to protect itself, not your business goals.

If this were some sort of video game a culture could play on the couch, it would still be exhausting. It's not: Your company is forcing its employee culture into constant forward motion. It needs to move quickly while fighting the urge to slow down and ensure the path ahead is safe, and that costs the culture even more energy.

Why would this uncertainty exist in an organizational environment where, say, the demands for performance are constant, the metrics are

established, the compensation systems are intact, and the company values are clearly stated? Because that's what *management* says. The perceptions of an employee culture about what is dependably true may be very different based on its acute focus on what the company and its managers say versus what they do.

There are three dimensions of an employee culture's healthy energy—the regenerative kind that translates into productivity and loyalty:

▪ **Context (looking backward)**

If your employee culture can easily understand why something is happening, it needs less energy to probe management actions and announcements for implications.

▪ **Predictability (looking forward)**

The more your employee culture can forecast how the company will act, the less energy it requires to classify the future as reliable.

▪ **Sense of self (looking inward)**

If what your company does—and, more important, how and why it does it—is a positive force in the world, being part of it boosts your employee culture's sense of self, which it converts into energy.

Align the reinforcement of these energy dimensions with what you really want from your culture. If, for example, your employee culture is encouraged to take its sense of self from constantly making the diving catch—last-minute saves of something about to go horribly wrong—the culture won't suggest or welcome any proactive controls that could stop this sort of risky organizational behavior.

Demand all the energy you need from your culture, but protect these three dimensions by constantly stockpiling and resupplying them. Should its energy get exhausted, your employee culture will become resistant, inflexible, cynical, slow, detached, suspicious, and incessant in demands for financial rewards. And you'll want to work from home.

1. HOW TO GIVE YOUR CULTURE CONTEXT.

- **REVISIT DECISIONS MADE AND UNMADE**

An employee culture hears decisions from management all the time, but rarely hears what happened when those decisions are revised or discarded. Did the dog eat them?

Understandably, your culture then believes that things rarely work out the way they were promised and that what executives say in speeches rarely comes true. Both of these perceptions are stone-cold context killers. Avoid this by regularly explaining what happened to at least some of the plans that didn't proceed as announced, especially if they were originally announced directly from the C-suite.

- **DON'T FOCUS EXCLUSIVELY ON REVENUE**

Whoa, now—down, down. Of course revenue is the driver of the enterprise. It's just not suitable as the sole driver of context for your employee culture. For cultural context to exist, it has to be benchmarked to something that rarely changes rather than focused entirely on performance goals, which change constantly. You don't want your culture to wonder, "Now that we've made the number, who are we?"

You can—you must—continue to talk revenue expectations to your culture, but base that talk on fundamental company beliefs that remain stable regardless of any revenue fluctuation. Position quarterly revenue results as a way of keeping score about what the company always stands for: goals met as a result of upholding product performance and customer relationship standards, and the company's belief in its employee culture. No margin? No mission. Don't explain how your world was improved when the company exceeded its target; explain how *the* world was improved by receiving more of what you do. This same context is necessary when revenue targets are missed: How

a company protects what it stands for when things go wrong is sure to be noticed by its employee culture.

2. HOW TO GIVE YOUR CULTURE PREDICTABILITY.

- **PROVIDE SIMPLE RULES FOR LIVING**

Take what is most uncompromising about your company's standards, personality, and performance ethic and translate it into simple guidelines—one page, total—that your employee culture can use to prioritize and make decisions: This is what the company believes is absolutely most important, so always do this, and never do that. Assure your culture that any decision it makes in concert with these essential guidelines will be supported.

Fair is fair: You can then point out that anyone violating these essential guidelines will be held immediately and fully accountable. This will allow your culture to predict the consequences of its own behavior.

- **HOLD PREDICTABILITY DRILLS**

Conduct regular predictability Q&A exercises with your employee culture, as a company and by individual business units. Propose various scenarios about performance, values, mistakes, good times, and bad times and explore how your culture believes the company would react. What would the company always do? What would the company always refuse to do? Make these predictability exercises part of introducing any major new strategy or performance goal.

Don't bother arguing if your culture doesn't yet agree the company will actually protect what it says is most important or if it can't identify much in the way of predictable enterprise behavior. You can't win using logic against a belief system, and your culture has its own sound logic for everything it believes. Instead, use these exercises to uncover

the causes of those beliefs (why and when did they happen?) and readjust with credible action.

3. HOW TO GIVE YOUR CULTURE A SENSE OF SELF.

Anybody who works has to constantly answer two questions. From those who don't know you, it is *What do you do?* From those who know you best, it is *What did you do today?* The key to an employee culture's sense of self is helping it answer both in a way that makes its members feel good—and look good to others—because they work for you.

● HELP TO ANSWER *WHAT DO YOU DO?*

Any company can spin its business model into some sort of snuffle-inducing noble purpose: ACME manufactures a flange that supports one of the gears in machines that fold boxes that hold the food that some company ships to all those starving kids in Africa = *ACME Feeds the World!*

A noble purpose helps maintain a positive sense of self for the culture—if your company really has a reason for being in business besides making money, it is seriously imbedded in the enterprise, and it is actually a driver for many decisions. Energy-producing pride of affiliation is created if the company declares such a larger *raison d'être** and then protects it.

It's well known that Apple's iconic "*Think Different*" campaign was first aimed at the company's employee culture, not its customer culture. "It was a way of signaling to employees, This is what we believe in. This is what we think. And we make products for people who think like this," says Alan Olivo, who was Apple's senior vice president of worldwide marketing at the time of the launch.

* Don't ever use such a pretentious term with your employee culture.

“People don’t remember that Apple was almost out of business when we launched this campaign,” Olivo asserts. “We had rapidly declining revenue, some troubled products, a lack of focus, an OS licensing deal that was killing us, no presence at all in the enterprise, and four CEOs in four years. ‘*Think Different*’ was not a signal to non-customers by any means. It was a signal to the Mac world, to people who made Apple stuff, and people who used Apple stuff, in that order.

“Steve felt that Apple made computers for people who do not care what the computers can do; they care about what they can do with computers,” he explains. “And Apple had in some ways lost that purpose, that sense of what we do being so important to what others can do, that faith that we will produce only innovative, highest-quality products. The Apple employee culture no longer knew how to act like Apple. Restoring what you call ‘sense of self’ was what ‘*Think Different*’ was about.”*

Even if your company has that kind of noble purpose, or even if it doesn’t, your employee culture’s sense of self is pegged to who your company (or team) is far more than to what it *does*. What matters to your culture is your company’s true character—how it treats people inside and outside. This is where you need to give your employee culture bragging rights: Make sure every member of the culture learns about company decisions that show empathy and decency to people within the company; delightful features of the customer experience; how the company treats its vendors and partners; how it supports its local communities and conducts itself as a national and global citizen; and, most important, how it treats its employee culture.

Sometimes these examples are extraordinary. You’re a member of the Google employee culture and you have given yourself an impres-

* After Alan left Apple, he headed the brand consulting (customer culture) division of my company. I knew he was very fond of Jobs and knew also the extraordinary pressure of working directly for him that Alan endured for many years. On the day Jobs died, I offered my condolences. “Yeah,” sighed Alan. “I’ve been sitting here thinking of all of those one-on-one meetings with Steve, just me and him in his office. I’m remembering all of the times I left that office thinking of the magical, revolutionary ways . . . *I could kill myself.*”

sive stretch goal: You're stretching for that box of free licorice on the topmost shelf of one of the snack cabinets. The cabinet suddenly topples and fatally flattens you. Here's what happens next: Your spouse or domestic partner continues to receive fifty percent of your full salary for a decade, along with your company stock, which is vested immediately, and each of your kids receives \$1,000 a month until they're nineteen, or until they're twenty-three if they remain full-time students. Even if you survive your assault on the north face of the snack cabinet, the bragging rights about how the company conducts itself and values you make you look a lot more valuable when you explain it to others.

The same cultural impact is still there for your company even if you can't afford this kind of munificent policy or can't even fund the free licorice. There are many smaller opportunities in business to do the right thing, as established policy or in unexpected situations, and these become storied proof points that members of your culture can use in discussions with others. Do enough of these small things and they add up to a huge thing: People outside of the company will often have heard good things about your company even if they don't recall how. This reflects well on anyone who works there: If you're employed by a company that obviously cares about you, you must be worth caring about.

Every day there are reports of companies that are apparently hell-bent on proving they *don't* care. It's worth noting to your employee culture how your own company chooses to act differently. What your company chooses not to do is as important as what it does.

HELP TO ANSWER *WHAT DID YOU DO TODAY?*

The constant seduction of key influencers is critical—those family, friends, and business contacts outside of the company whose opinions matter most to members of your employee culture. This should start as soon as any new member of the culture starts:

- Buy dinner for them, their partner, and a couple of close friends as the company’s celebration of their joining the company.
- Send a package to their home that includes FAQs with which they can easily explain the importance of the company and its role in their personal community.
- Have your CEO and your team sign “Why You Were Hired” welcome letters.
- Produce a company comic book that explains to kids what the enterprise does and how their dad’s or mom’s job makes them a superhero.
- Give a donation in their name to a company-sponsored charity.

On an ongoing basis, move from sending stuff to sending messages. Continue to explain the impact of what the company does and why the company has made recent decisions—especially those decisions where there was a more expedient and less costly way to solve a problem. The company’s veracity means the culture can take pride in both representing the integrity of the enterprise and in being allowed to act with integrity itself. At the end of the day, what could be more important to tell someone close to you than that your company allowed you to protect your own good name?

HO, HO, *WHOA*

◆ Founded in the late 1990s, GoDaddy is an Internet beast, offering website hosting to more than twelve million customers worldwide and managing about fifty-five million domains.

Taking care of business like this for other companies is a 24/7 operation, every single day of the year, including holidays. It’s hard to staff for holidays and hard to keep the staff you do have from

being glum and grumbling to customers who don't like to hear it, since it reminds them that they're working on the holiday, too.

In GoDaddy's early years, the company relied entirely on volunteer staffing for major holidays like Christmas. The basic principle: Since nobody wants to work on Christmas Day, let's find out who wants to work on Christmas Day. This sounds like some Zen wisdom that has been seriously lost in translation, but GoDaddy's logic was sound. "A lot of people are alone during the holidays, and they would never think of coming to work," says Bob Olson, GoDaddy's vice president of Customer Strategies and Business Operations from 2003 to 2007. "By coming into the office, they actually had a better time than they would have had sitting all alone on a couch at home."

Holidays at work became a tradition at GoDaddy, beloved by members of the culture and affectionately curated by management, and were regularly overstaffed. For many, GoDaddy was the place to be during the holidays.

"Every Christmas, my children knew that they couldn't open any gifts until I had delivered donuts to every GoDaddy work site," recalls Bob. "I would shake every single person's hand, wish them happy holidays, and thank them for being there. Then I'd go home, and after the kids had opened their presents I would go back to work with more donuts for the second shift."

Codependence Day

Fast-forward to June 2012. GoDaddy's revenue picture was dim. The company had been seriously missing projections, and in order to recover it needed to generate a flat-out impossible 280 percent of quota in three days. Flat-out impossible made worse: It had to be done during the three days of the Fourth of July holiday weekend.

As good luck would have it, Bob Olson had just returned to the company after a five-year absence. This didn't seem to be particularly good luck for Bob Olson, since he had been given the responsibility of making the aforementioned nutso revenue target. "No

problem,” thought the Holiday King, thinking he would crank up his all-volunteer army, and take that money hill. Except that while he was away, his volunteer staffing program had gone away, too. Seems it was just too much of an administrative burden for HR, so the company had returned to mandatory staffing, where the normal weekend shifts were required to staff customer service centers on all major holidays.

Olson persuaded the company to try it one more time and sent out the call for volunteers. He got 630 of them—more than forty percent of the entire company culture that would have been scheduled to work if it weren’t a holiday. Over the Fourth of July holiday weekend of 2012, Olson and his fellow managers threw a nonstop party for the volunteers, with plenty of food, gifts, and even contests where managers dropped and did push-ups to honor employees who made their sales quotas. As the weekend went on, employees who weren’t even scheduled to work over the holiday started coming in just to cheer on their friends.

Those 630 members of the employee culture ate, drank, laughed, talked to customers, danced, sang, talked to customers, *made up the entire 280 percent revenue shortfall and put the company back on track for the year*, ate some more, and talked to some more customers.

Olson is very clear that GoDaddy’s volunteer staffing policy was about meaning, not metrics. “The purpose was a higher calling,” he says today. GoDaddy could have simply ordered employees to work on the Fourth of July. If those employees needed their jobs, they would have come into work. But GoDaddy figured out that the holidays weren’t always a celebration for some of their employee culture, and that some members of the culture were closest to the people they worked with. So why not spend those special days with each other? Why couldn’t the company celebrate *that*?

On Independence Day and the holidays that followed, GoDaddy sent an unmistakable message to its employee culture: We take care of business by taking care of our own.

THE END OF SIN: TACTICAL RECAP

THE ORIGINAL SIN: FAILURE TO RESPECT THE POWER OF AN EMPLOYEE CULTURE

Your employee culture will give you anything you want; you just have to give it what it wants first. A culture has an extraordinary need for energy, which it uses to defend itself in a world it cannot reliably anticipate or control. Demand whatever energy you need, but be sure to replenish it as you go, because your employee culture's energy translates into its flexibility, resilience, commitment, and productivity.

1. Give your culture context: Why is this happening?

- Revisit decisions made and unmade
- Don't focus context exclusively on revenue goals

2. Give your culture predictability: What will happen next?

- Provide simple rules for living
- Hold predictability drills

3. Give your culture a sense of self: Who am I as part of this?

- Help to answer the question What do you do?
- Help to answer the question What did you do today?

BOTTOM LINE:

Give your Employee Culture ENERGY

CLICK HERE TO BUY THE BOOK