

Inventing Culture

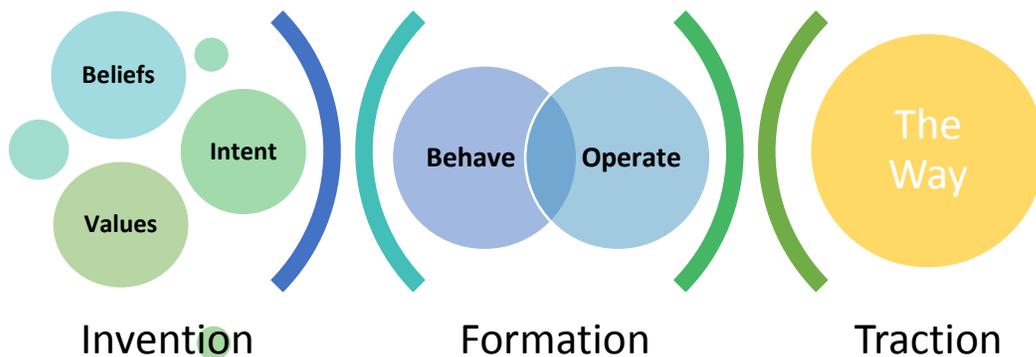
“...an imagined reality is something that everyone believes in, and as long as this communal belief persists, the imagined reality exerts force in the world.”

Yuval Noah Harari, author of Sapiens

Despite imaginary roots, culture has a long history of intimidation and disruption. Peter Drucker proclaimed its power back in the 1950’s by noting, “Culture eats strategy for breakfast.” Extend the refrain just a bit to get something equally problematic: “Culture stymies execution.” The implication is clear: Attend to culture or else.

The good news? Cultures are invented by humans for humans. We invent them and by proxy they can be reinvented. This inventing and reinventing goes back approximately 70,000 years. Then, humans with more brainpower began using language to create social units with distinct cultures.

Let’s take a quick look at how they form.



Leader intangibles, their beliefs-values-intent, shape a foundation or platform to attract others, nurture a sense of belonging, and create a system for getting things done.

Invention leads to Formation, collective behaviors become operating routines and provide psychological benefits like greater clarity, consistency, and certainty. Routines and benefits explain why The Way becomes the dominant social force across the system.

Gaining Traction, however, is a bit of a conundrum. Too much comfort takes us back to Drucker's warning. Except, what's actually eaten is something much bigger than any particular strategy.

The most daunting aspect of his cautionary view is that it equates change with danger, not opportunity. This is how big the stakes are:

Cultures that dampen and sabotage the capacity-to-change reduce future potential and erode value. Cultures tilting toward change-as-opportunity have the opposite effect.

Once we link capacity-to-change to sustainability the task of inventing or reinventing culture is clear. Sustaining cultures must promote adaptive change meaning...

A collective mindset motivated to challenge the status quo and adapt on-the-fly to changing circumstances

What's this look like in the real world? Take Pixar. In June, 2015, the company released the animation movie, "Inside Out," about a young girl named Riley adjusting to the big city. Story narrative is king at Pixar. Except this particular story follows a dual track: Riley's inner emotional world and her "real life" encounters with the big city.

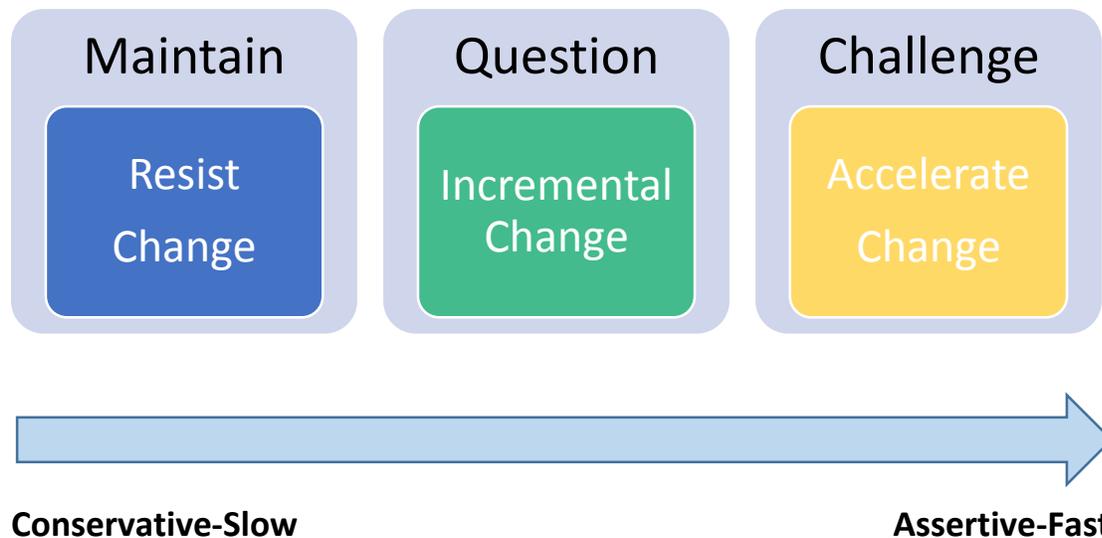
Here's an instance of Pixar imposing changing requirements from within. It gave the green light before actually knowing how to render two worlds with distinct qualities in the same movie. Then it relied on a highly adaptive culture pushing boundaries to solve the technical issues, integrating multiple camera and scene composing solutions into the narrative.

Few companies are in Pixar's league as a movie studio. But all have the potential and mandate to develop cultures that adapt to changing circumstances. So, "How do leaders create adaptive, sustaining cultures?"

The answer begins with understanding their attitude...

Where do you stand???

Being open to change is shaped by underlying attitudes about the status quo. Leaders generally approach their companies, favoring one of three positions: Maintain, Question, or Challenge it. Their company cultures typically reflect their preference bias toward change.



Positions map along a Conservative – Assertive response continuum. Maintainers' over value the status quo and either resist change outright or are slow to initiate it. At the other end, Challengers tend to more quickly push for substantive change. Questioners appreciate needing to change but are deliberate in making it happen. How would you characterize Pixar? Sure, they tilt to the right.

Leaders' preferred approach reverberates through companies. Any consistent tilt to the left makes inventing adaptive cultures unlikely and decreases future potential and value. It's no revelation that companies cannot achieve their full performance potential or prosper by resisting change. Operating to the right as Pixar does is where it's at.

Applying digital platform ideas...

Digital platforms like Facebook or Twitter develop vibrant communities by providing users with something they value. Both offer opportunities for self-

expression and connection. Plus, they succeed using a limited number of user-experience design principles to promote desirable behavior (no offensive content), value (unlimited number of posts), and transparency (likes/dislikes).

Sangeet Choudary's book, "Platform Scale," notes that technology doesn't scale, people or users do and will when presented with a compelling value proposition. He also talks about emergence, meaning that as platforms evolve users find greater transaction value and innovate new ways to "keep it interesting."

Think of everything users can do on LinkedIn, the networking site for business professionals. It provides tools for a range of actions like brand building, joining like-minded groups, sharing expertise, and actively recruiting job candidates. Likewise, Twitter's now famous hashtag was not a pre-design element. Instead, the innovation came later from a user.

Digital platforms teach us a great deal about inventing sustainable company cultures. Not surprising, both require placing the user or employee center stage in the design process to establish high levels of engagement.

Design principles behind the likes of LinkedIn are relevant and applicable to the analog world of companies.

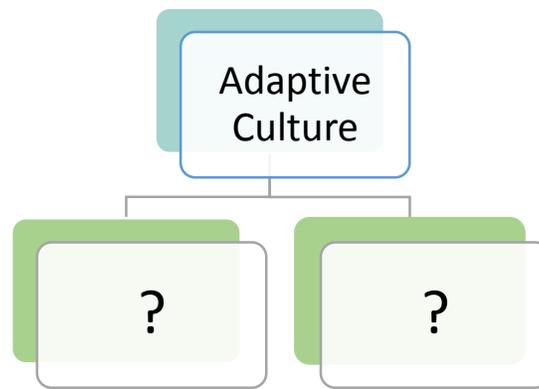
Five apply to our inventing challenge...

1. Define the purpose and user value of the desired outcome
2. Use only a few design building blocks to achieve the outcome
3. Enable high engagement levels
4. Use data to monitor and nurture user or employee experience
5. Enable forms of recognition or reward

Adaptive building blocks...

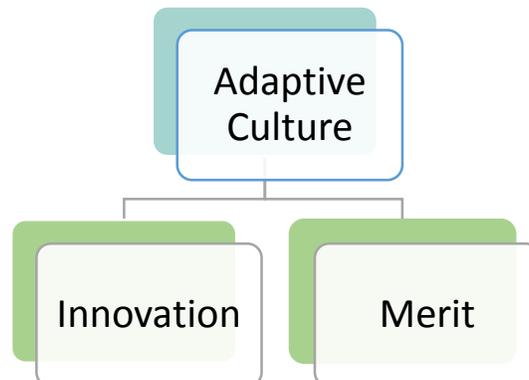
Inventing begins with imaginative thinking and good design. For now, dismiss any preconceived ideas about your current culture. Use the tree diagram to identify inputs you think enable the target outcome:

A collective mindset motivated to challenge the status quo and adapt on-the-fly to changing circumstances



Prioritize your top two. Consider activities or concepts that enable adaptation. Challenge yourself by asking, "Will my top choices engage others to challenge the status quo and adapt to new developments?"

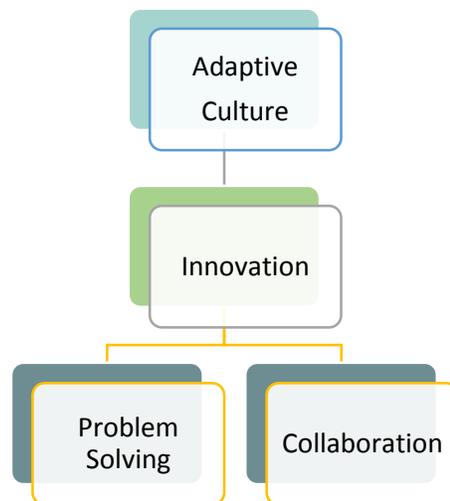
Our selections, Innovation and Merit require explanation. Innovation is often associated with new products, exclusively. Not so here...



We broaden the definition to *producing a novel and beneficial impact on The Way things are done in the company*. Innovation counteracts the status quo to produce any improvement to bottom-line performance: Maybe by altering products, processes, pricing, marketing, or customer practices.

Merit is closely linked to outcomes. But we recast it to emphasize *making notable achievements by going above and beyond daily requirements*. This creates performance expectations that set a high bar across the company.

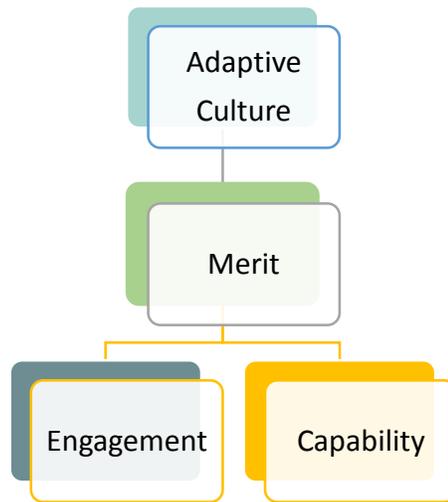
Now, drop down a level to identify their respective inputs. Starting with Innovation, ask yourself, “What enables this right-leaning activity?”



Our experience has Problem Solving and Collaboration as key inputs. Problem Solving is often viewed as a reactive problem-then-solution activity. We put thinking first then broaden the definition to include *demonstrating an urgent mindset that responds to emerging threats or opportunities sooner rather than later*. Always on the lookout and quick to act capture the sentiment.

Collaboration has attained buzz word status. It usually means simply working together to accomplish a desired outcome. Our definition, *working across boundaries to optimize solutions* recognizes the importance of collecting different ideas to get the best outcome. A good example is engaging customers to develop new products.

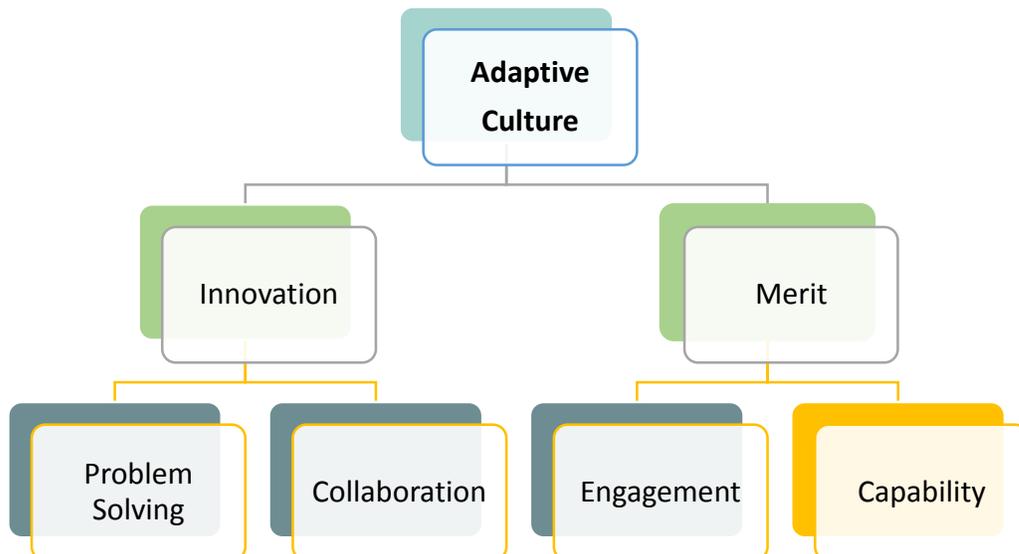
Next, shift to the other side to segment Merit. Ask yourself, “What enables adaptation to changing circumstances?”



We see Engagement and Capability as key inputs. Engagement is often inferred from observable behavior. Specifically, activity equals engagement. Our definition emphasizes the intangible mental aspect of involvement: *Thinking and asking “why” questions about the company.* Curiosity signals employee engagement and works hand-in-hand with Innovation to keep companies relevant.

Capability is a broad concept with many meanings. Our definition is simply: *Securing both collective “know how” on processes used to deliver customer value and talent.* The potent combination brings employee skill sets front and center.

Here’s the complete model...



From building blocks to reality...

Models reduce complexity. Ours attempts to with arguably the most challenging cultures to invent: Adaptive ones. The agile building blocks and extended definitions provide a solid foundation to build upon. But you still may be wondering,

“How do a bunch of blocks become tangible culture?”

The question is actually similar to the “What is Life?” question asked by scientists. Both present the same dilemma: How to go from building blocks to something transcendent. Scientists view theirs as a chemistry-to-biology process.

For us, the answer circles back to the importance of leadership. Specifically, the behaviors, practices, and policies leaders implement to promote the desirable outcomes associated with Adaptive cultures:

-  *Producing a novel and beneficial impact on The Way things are done in the company*
-  *Making notable achievements by going above and beyond daily requirements.*
-  *Demonstrating an urgent mindset that responds to emerging threats or opportunities sooner rather than later*
-  *Working across boundaries to optimize solutions*
-  *Thinking and asking “why” questions about the company*
-  *Securing both collective “know how” on processes used to deliver customer value and talent*

Leadership imperatives that seal the deal start with strategic work: Setting direction and organization alignment. Research by the Center of Creative Leadership views the resulting clarity as key for gaining employee commitment and engagement.

Strategy of course is all about challenge and adaptation. Data is too. Employees expected to operate as described can only do so with data. It’s the basic truism, “can’t manage what’s not measured.” Creating a metric-friendly organization is key to our target outcome and one other essential, accountability.

In our experience, cultures lacking performance metrics also lack accountability. This costly state of affairs has caused more than one company to either become

inefficient or go south. So available data serves two related functions: Defining the status quo in terms that can be challenged and by creating opportunities to innovate and improve.

Finally there's recognition. Humans like it and want it. Reflect back on digital platforms or even the common practice of "Selfies" and the need for recognition is undeniable. There are many ways to provide it in companies. What matters is how well leadership choices match up with employee expectations. High levels of engagement depend on getting it right.

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