THIRD EDITION

chapter 5 preview

culture by design

How to engineer culture for lasting competitive advantage

How the best organizations engineer performance

David J. Friedman

Culture by Design

How to engineer culture for lasting competitive advantage

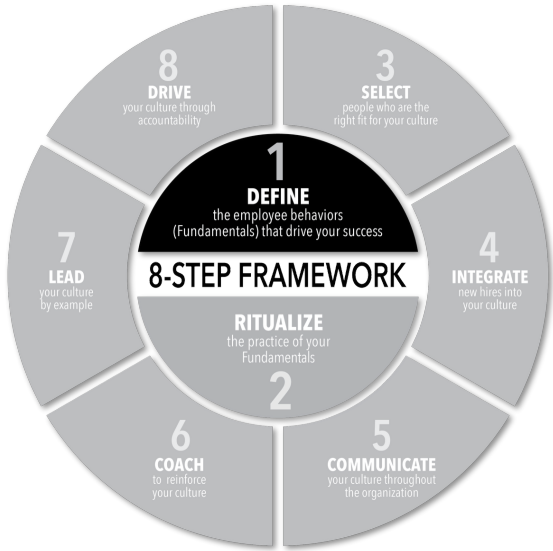
DAVID J. FRIEDMAN

Third Edition

Hardcover ISBN: 979-8-9947394-1-9

Published by CultureWise, LLC

Printed in the United States of America



DEFINE the employee behaviors that drive your success

To begin our discussion of how to define our culture with greater clarity than ever before, I need to draw an important language distinction for you. It's a distinction I didn't use to think about, and yet, it's one of the most important premises on which the entire Culture by Design methodology is built. Specifically, it's the distinction between what I call "values" and what I call "behaviors."

Values vs. behaviors

Interestingly, in *Fundamentally Different*, I used the language of values and behaviors interchangeably, as if they were simply

two words for the same idea. In fact, the subtitle of that book is "Building a culture of success through organizational values." Believe it or not, the first time I began to think about the difference between values and behaviors was when our then 19-year-old son, Ben, challenged me on it. Ben was home from college one summer and agreed to accompany me to one of my workshops. When the program was finished and we got back into the car, Ben had about ten pages of feedback and questions for me! Perhaps his most important question, though, was this: "I heard you mentioning values and I heard you talk about behaviors. What's the difference?"

My first answer was that they were just two different words that I used for the same concept. But over the next few days I began to think about his question more deeply. And the more I pondered it, the more I began to realize that they were, in fact, very different things, and that their difference was important. Let me explain how they're different and show you why it matters.

Concepts vs. actions

A "value," in the context of culture, is a principle that governs our actions. Examples of values are words like

- Quality
- Integrity
- Respect
- Commitment
- Passion
- Innovation
- Teamwork

These are ideas or notions that we may subscribe to.

A "behavior," in contrast, is an *action*. It's something that I can literally see someone doing. Examples of behaviors are things like

- Practice blameless problem-solving
- Honor commitments
- Be a fanatic about response time
- Get clear on expectations
- Listen generously
- Look ahead and anticipate
- Do what's best for the client

Do you see the difference? Values are ideas or concepts, while behaviors are actions. In an overly simplified way, you might think of a value as a noun (it's a thing) while a behavior is a verb (it's an action).

Note: For those who read Fundamentally Different, you may remember that I called the first ten of our Fundamentals our "core values." I realize now that they weren't values; they were behaviors. I just wasn't thinking of that distinction at the time.

Wide disparity of definitions

So why does any of this matter? Well, here's the issue: Values, because they tend to be so conceptual or abstract, can mean many different things to many different people. Behaviors though, because they're more action-oriented, tend to be much clearer, and so they're easier to guide, coach, teach, and provide feedback on. Let me share an example to make this point clearer for you.

One of the most common items I see on many companies' list of core values is "Respect." They want to create a culture of respect, where every person is treated respectfully, regardless of their age, position, background, education, or religion. And while this certainly seems like a worthwhile goal, what does "respect" really mean? What it means to you may be quite different than what it means to me.

If you grew up in an inner-city gang, what it means to show someone respect, to earn respect, or to disrespect another person, might be very different than what it means in your family. If you grew up in many areas of the Deep South, you may have been taught to address all adults by saying "Sir" or "Ma'am." In fact, it would be disrespectful to your elders not to address them in this way. But if you grew up in the Northeast, it would be unusual to use those terms, and not using them would imply no disrespect whatsoever.

If you were in a business meeting in Japan, who sits where at the table would be a way of showing respect, and you could inadvertently disrespect someone by sitting in the wrong spot. Recently, I was talking to a friend who's a superintendent of schools in a large public school district. He was lamenting the fact that some teachers feel they're being "disrespected" when they get a salary increase below what they expect. To him, their salary increase is a function of the budget and the available resources. It has nothing to do with respect.

My point, of course, isn't that respect doesn't matter. It's simply that it means so many different things to different people that I don't think the term, used on its own, is particularly helpful. Saying that we value respect or that we want to show everyone respect simply isn't clear enough.

Most values tend to fall into this same trap. What does "quality" really mean? How do you define "commitment"? What does "passion" look like to you? Because behaviors are actions, they're usually much clearer to understand and teach. It's very difficult, if you've tried, to coach people about their values; but it's quite easy to coach them about what you see them doing or not doing.

It may seem like I'm splitting hairs here, or making more of this distinction than is necessary, but as I take you through the entire Culture by Design methodology, you're going to appreciate why this difference is so important.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Two stories

Let me share with you two stories that helped to crystallize the importance of this distinction in my mind. I often tell these stories in my workshops.

A number of years ago, I was giving a talk in the Midwest, and I was staying in a major chain hotel the night before the talk. As was typically the case back then, very early in the morning on the last day of my stay, an envelope was slipped underneath my door. The envelope contained my receipt for the stay. Like most hotels these days, I knew that I would also get a copy of the receipt sent to me by e-mail within 12-24 hours.

Normally, when I'd get the e-mailed version, I didn't pay a lot of attention to it since I already had the hard copy that had been slipped under the door. However, this particular time it happened to catch my attention because I noticed that the amount that was being charged to my credit card was *different* on

the e-mailed receipt from the receipt that had been delivered under my door. And it was more! It wasn't a lot of money, but still, it should have been the same.

Curious to find the discrepancy, I compared the two versions, line-by-line. I quickly realized that the e-mailed version had an extra line. It said, "Room service . . . . . $5.35." This made me curious for two reasons. First, I hadn't actually used any room service. And second, have you ever had room service for $5.35?! Something clearly wasn't right.

So I picked up the phone and I called the hotel. The woman who answered was very friendly and she asked how she could help. When I explained the problem to her, she asked me to hold for a moment while she looked over my account. A minute or two later, she got back on and shared with me that the charge in question was for the bottle of Fiji water that was in my room.

While this seemed a lot to pay for a bottle of water, the more important issue was that I didn't actually use the bottle of Fiji water. In fact, traveling as much as I do, I'm almost always on the "concierge" level, where they have free snacks and drinks, and all the water I can consume. When I shared this fact with the woman, she readily acknowledged that it made no sense for me to have drunk the expensive Fiji water, given all the free water available to me. She then went on to explain what *I* could do about it. She told me that the accounting office was closed at the moment, but that she would gladly give me their 800 number and that if I left them a voicemail, they'd likely take it off my bill. Of course, I explained to her an entirely different way we were going to solve this problem!

Here's the point of the story: Do you think the woman I spoke to thought she was giving me good service? I'll bet she did. She explained to me how I could solve my problem. The

real issue, however, was that her definition of "good service" was vastly different from my definition.

And here's the larger point: Let's picture this hotel for a moment, and let's assume they have 200 employees. The general manager of the hotel calls a big meeting one day and announces to everyone that she wants to talk about their culture. She shares their vision and their mission and their six core values. Their first value, she explains, is "service." After all, they're in the hospitality business, so what could be more important than delivering fabulous service to their guests? The problem, however, is that if they have 200 employees, they may have 200 different ideas of what great service looks like. So while it's nice to say that one of our core values is service, it's not clear enough to be implemented effectively.

The action form of values

That same year, I was passing through a smaller, regional airport when a sign on the wall caught my attention. The sign listed the airport's vision, mission, and values. I thought this was pretty unusual for an airport, and being in the business, I stopped to read it more closely. They had the typical kind of vision and mission statement that I often see, but when it came to their values, they did something a little different that got me thinking.

I don't remember exactly what their values were, but it was how they were constructed that stood out. Underneath each listed value, there was a series of bullet-pointed statements. It looked something like this:

> We value service. We demonstrate this by doing the following things:

- Action 1
- Action 2
- Action 3

We value quality. We demonstrate this by doing the following things:

- Action 1
- Action 2
- Action 3

And so on. Each of their values included clear statements that described the observable behaviors that helped give the values life and meaning. In fact, you might think of behaviors as "values in action." They're the action form of the value. They're what you do to live to or demonstrate the value. I thought that was a pretty smart approach, and ultimately, a much more useful one than simply creating the standard list of one-word core values.

Two methods for defining your culture

Having worked with hundreds of companies across the country in so many different industries, helping them to more clearly define what they want their culture to be, I've discovered that there are many different approaches we could take to this process. And while I want to be clear that there's no "right" or "wrong" method, there are two approaches in particular that I've found to be especially effective.

The first method follows the airport's approach. We could define the core values that are important to us, and then for each value, we could write the corresponding behaviors that help us to live to that value or to demonstrate it in action. This approach

is very straightforward and logical, and brings valuable clarity to how you define your culture. I've seen many organizations use this method with great success.

There's another approach, however, that I used in my first company, without knowing about any of this, and it's actually what nearly all our clients use. Now this is one of those places I warned you about where I'm going to suggest something that flies in the face of conventional wisdom and may sound almost sacrilegious, so try to keep an open mind and allow me to explain the logic. And remember that it's worked hundreds of times with companies who at first wanted to reject it.

In the second method, we skip the discussion of our values and we simply go directly to our behaviors. In other words, we describe the behaviors that we want to define our culture, without any need to tie them back to particular values.

Now here's where it gets really interesting. I used to say to people that either of those approaches is fine. If it works better for you, and you feel more comfortable organizing your behaviors around a set of values, then go right ahead. And if you'd prefer to skip the extra step, and more directly identify the behaviors without reference to the values, that's fine too. Since we're still articulating behaviors either way, and that's the most important part, it doesn't really matter how you get there. Right? Wrong.

While I used to suggest that either approach was fine, I no longer say that because I discovered something very interesting. It turns out that those two approaches will actually yield two different lists of behaviors! It was fascinating when I began to realize this and thought more deeply about why this happens.

Introducing a filter or constraint

When we use the airport's method, notice that we're actually introducing a limiter, or a constraint, into our thinking. In other words, we're *limiting* ourselves to thinking only of the behaviors that tie directly to the values in question. An example may help you to see this more clearly.

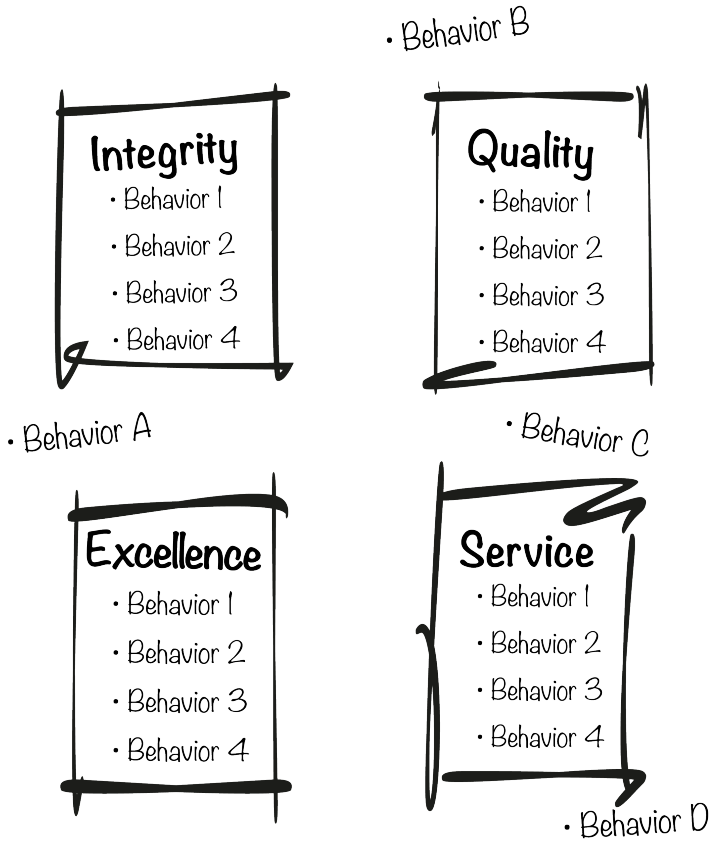
In the airport's method, we start by asking ourselves, "What are our values? What are the principles that we hold dear?" To make the illustration simple, let's assume that we identified four core values: Integrity, Quality, Excellence, and Service.

Then we ask ourselves, "What do we mean by 'integrity?' What are the specific behaviors that help us to demonstrate our vision of integrity?" Let's assume that we're able to articulate four behaviors that make our definition of integrity much clearer. We then follow the same path for quality, excellence, and service. We now have four important values, and we've defined each in terms of the specific behaviors that help us to live to those values. Life is good.

But here's the problem: It turns out that there are quite likely some behaviors that are really important to our success, but that *fall outside* the scope of the four values we identified. And we're never even going to think about those behaviors or talk about them because we limited ourselves to considering only items that were tied directly to the four values in question. I often use the drawing on the following page to illustrate this phenomenon in a visual way.

Behaviors A, B, C, and D may be critically important to success, but because they fall outside of the boxes for Integrity, Quality, Excellence, and Service, we're not likely to consider them!

To be clear, I'm not suggesting that these two approaches are diametrically opposed. In fact, they may overlap by 85%. But there may be 15% of behaviors that fall outside the scope of those previously identified values, and yet are significant drivers of success, and they're never going to be on the table for discussion. Some examples may help you to see this more clearly.



Two examples

One of the behaviors that was core to us at RSI was a behavior (we call them "Fundamentals") that I called "Set and ask for expectations." These days, I usually just call it "Get clear on expectations." I've always taught that we judge situations not by what happened, but rather by how it compared to what we *expected* to happen. In fact, almost every misunderstanding comes from two people having different expectations about what was to occur. There are lots of reasons for this, and I wrote an entire chapter on it in *Fundamentally Different*, but suffice it to say that if we take the extra time to be more rigorous in our language and make sure that in every conversation we're crystal clear about the expectations, our effectiveness as individuals and as an organization improves dramatically. This is such a foundational principle that I virtually insist that it be included in the Fundamentals for every one of our clients.

So which value would that behavior fit under? To be honest, I have no idea, and I really don't care! I just know I want my people to do it. To take it a step further, if I had written my core values first, and only considered those behaviors that fell under the values, would I ever have thought about "Set and ask for expectations"? Possibly, but probably not. And yet it was really important to our success.

Here's another Fundamental that I insist be included for every one of our clients: "Practice blameless problem-solving." In my observation, one of the biggest causes of organizational dysfunction is blame. So many people are more focused on avoiding blame, defending themselves, protecting themselves, covering up mistakes, and blaming others than they are fixing problems and learning. When we change that dynamic and we address problems quickly, learn from them, and improve our processes as a result of what we learned—without worrying

about blame—the difference is remarkable. It's an incredibly powerful behavior. Once again, which value does that fit under and would it ever come up if we started with our values and only defined behaviors in relation to those values?

It turns out that there are a number of behaviors like these two that might be critical to our success that would never come up for discussion if we limited ourselves to considering only those behaviors that tied directly to our values.

Going in reverse?

Sometimes people ask me about going in reverse. In other words, couldn't we come up with our list of behaviors without restriction, and then see what values are implied or are inherent in those behaviors? My response is that we might be able to do that, but I'm not sure I see a good reason to try. Our ultimate goal is to define behaviors, as that's what will most effectively provide the necessary clarity to operationalize our culture. If we already have the behaviors, what's the point in going backwards? What purpose does that serve?

From a purely practical standpoint, it's also very frustrating because you end up trying to force behaviors into categories where they don't really fit, or you have some behaviors that might fit into several different categories. And then you get one team member who asks, "Can we have a value called 'Miscellaneous' because I don't know where to put this behavior?!" Ultimately, it's just not necessary.

Others argue that the values, being broader, give you an "umbrella" under which to capture behaviors you might not have called out specifically. In other words, they suggest that the values give people broad guidance so that as long as they're

operating in a way that's consistent with the value, they know their actions are acceptable. While this makes some sense, when I explain how we're going to go about defining the behaviors, you'll see that, when pitched at the right level, the behaviors will accomplish this goal quite nicely. Trust me on this point for now, and I'm confident you'll see what I mean as we progress.

Another argument I sometimes hear for grouping behaviors under values is that the values, being fewer in number, will be easier to remember. While I don't disagree with this assertion, the goal isn't simply to memorize or recite them, but rather to *live* them daily. And as you'll see shortly, the way we teach and practice the behaviors through the Culture by Design methodology makes memorization unnecessary and unimportant.

For readers who feel particularly uncomfortable about "letting go" of values, let me be clear. I'm not suggesting that values don't matter or that they have no impact. It's actually quite the opposite. We all have values in our hearts and minds, and these values absolutely influence how we behave. They're influencing us, whether we've articulated them or not. I'm simply saying that while the values certainly exist, from an operational standpoint, listing or defining them isn't nearly as useful as defining the *behaviors* that we want to see practiced in our organizations. The behaviors are much easier to teach, coach, and guide. They're how we actually operationalize the culture.

I'm going to show you how to think of the behaviors that are important to you and how to write them clearly, but first, I want to identify three mistakes that companies frequently make when doing this work. By calling these mistakes out in advance, I'm hopeful that you can avoid falling into these traps.

Mistake 1: Too much collaboration

The first mistake I see too many organizations make in defining their culture is being too collaborative. Now this may sound odd to you, as many consultants advocate a process where you get the input of all the various "stakeholders" to determine the culture, from employees to customers, and sometimes even key business partners. They argue that this helps to ensure the culture you're creating is responsive to all the key constituencies, and helps to increase employee engagement.

I take a very different view. Beyond the obvious concern that including too many people can water down the result or cause us to solve for the lowest common denominator, there's a more foundational issue. At its core, defining the culture is a *leadership* function. In fact, it's one of the most important functions and responsibilities of a leader. Great leaders call out a compelling vision and then enlist people and marshal the resources to pursue and achieve that vision. They don't ask the organization where it would like to go. They create the vision and then make it happen.

I often call this a "design function." We're designing the extraordinary company that we want to create. We're not designing it around the wishes or desires of all the people who we coincidentally employ today. Rather, we're designing it around our vision of what we want to build.

Having said that, I'm actually a big advocate for the inclusion of the senior leadership team in this process. But let me be crystal clear about their role. I recommend including them *for their contribution to the leader's thinking*. Notice the words in italics. They're contributing to the leader's thinking. They're on the team because they're smart and they have good ideas and they have a lot to add to the leader's thinking. This isn't to make them

feel good. They're being included because their contribution is valuable. But at the end of the day, it's the leader's responsibility to decide which behaviors get included and which don't. It's not a majority vote, and it's not a consensus. It's the leader who decides the vision.

For those who may be concerned that this "top down" approach won't ever work because employees haven't been engaged in the process and therefore won't have sufficient "buy-in," my experience is quite the opposite. To be clear, buy-in is important. The mistake is in thinking that the only way to achieve that buy-in is for everyone to be included as co-authors in the design phase. But there are other ways to achieve buy-in that are far more effective. As you'll see, the rollout process that I describe in Chapter 13 creates amazing engagement and buy-in throughout the entire organization.

I should offer one other "qualifier" to my comments about over-collaboration here: Most of my experience is with privately-held, entrepreneurial organizations, rather than public companies or others who may have Boards. In these cases, depending on your Board relationship, you may want to include Board members as contributors to the initial brainstorming, or even in the rollout process. Here again, while their support and advocacy is important, it's the leader's vision that should ultimately drive the culture.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Mistake 2: Writing clichés

Too often I see organizations come up with a list of values or behaviors that include clichés that may sound good, but don't

actually mean much. My best example of this is when we say that we're committed to "exceeding our customers' expectations." I see this statement framed in board rooms, listed on websites, and even painted on company trucks; and while it may sound powerful, are we really serious about it? I doubt it.

If we were, we'd surely be documenting every customer's expectations, for how could we be sure we're exceeding them if we don't even know what they are? And we'd definitely be measuring the degree to which we exceeded them, since that's one of our most important goals. And of course, if we kept exceeding their expectations, they would keep raising them and it would eventually become virtually impossible to continue exceeding them!

The goal in defining behaviors isn't to capture fancy buzzwords or phrases, rather it's to capture what truly matters to you. The key is to look *inside* yourself to identify the things that are meaningful to you. Here are some good questions to ask yourself to get you started:

- What are the things that, if done more consistently, would make your company amazing?
- What are the things that you often "rant" about? If you're not sure, ask those around you. (After all, you wouldn't rant about them if they weren't important to you.)
- What are the things that drive you crazy when you see them happening? If they drive you crazy, you have some energy and passion around them. What's the opposite of those behaviors? In other words, what would you like people to be doing instead of doing that which drives you crazy?

- Typically, in every department, we have at least one or more people who we wish we could clone. Remember the Alisons I talked about in the Preface? Think of your Alisons—the specific people you wish you could clone. What do they do that makes you want to clone them? Those are likely to be important behaviors. (Often it helps to visualize real people rather than trying to think of behaviors in the abstract.)

The reason this is so important is that it's very difficult to be a true and authentic leader of behaviors you really don't believe in, but have included because you heard them somewhere. And conversely, it's easy to be an authentic leader of the behaviors you're always talking about. The goal is to capture what's authentically you and write it down.

Mistake 3: Writing this as a marketing piece

One of the most common mistakes I see is trying to write this as a marketing piece. In other words, we try to codify our culture primarily for a customer audience. "You should buy from us because these are our five core values." I don't know about you, but I've never bought from a company because I read their core values. While I suppose it might possibly cause me to feel an affinity for them, I buy because they offer the right combination of price, product, and/or service.

This is not a marketing piece. This is the curriculum we're writing for what we want to teach our people. This is the owner's manual or the instruction manual for what it looks like to be a fabulous employee (an Alison) in our company. In other words, we're writing to our own employees, not to our customers.

To be clear, there's nothing at all wrong with sharing it with customers. At CultureWise, we share our Fundamentals with customers all the time, as do virtually all our clients. It's how we talk about our culture, and it does become a point of differentiation. However, I would have written them differently if I was writing to our customers versus writing to my own employees.

If there are certain phrases or lingo that are common in your organization, this would be a good place to use them. At RSI, we had a Fundamental that we called "Practice A+ness as a way of life." It was a phrase that we used all the time and it meant something very clear and specific to our people. It didn't matter to me whether our customers understood it. It was written for our own people. The more you use your own language, the more it resonates with your people, rather than it sounding like "consultant speak." In short, keep it real.

Brand vs. culture

One of the reasons I think organizations, and the consultants who work with them, make mistake #3 so frequently is that they confuse a "branding exercise" with a "culture exercise." In a branding exercise, we're trying to articulate for the marketplace what makes us different from our competitors. In a culture exercise, we're trying to articulate the rules of engagement for how to be a fantastic contributor in our organization. While there could be some overlap, they have two very different goals. Let me share an example.

I was working with a client, facilitating the process of developing their Fundamentals, and the topic of acting with integrity arose. It's a very important behavior that almost always comes up, and I strongly encourage it to be included for all our clients. The CEO was a little confused because they had recently

gone through a branding project with a marketing consultant who suggested that integrity shouldn't be listed as a brand differentiator because it was virtually assumed. In other words, it was simply a given, or a "price of admission" just to have a seat at the table.

From a branding perspective, I totally agree with the consultant. Integrity *is* just assumed and isn't going to separate you from your competitors (at least the worthy ones). However, from a culture perspective, acting with integrity is an absolutely essential behavior that we should call out and teach and reinforce for the rest of our careers. As soon as we stop talking and teaching about acting with integrity, we run the risk of unethical behavior creeping into our organizations.

Remember that branding is mostly targeted to our customers, while culture is mostly for our employees. As we articulate the behaviors we want to define our culture, we're writing to our own employees.

Developing your Fundamentals

With those mistakes out of the way, we're ready to learn how to define, with tremendous clarity, those behaviors you want to drive your culture. Before we dive in though, let me make one comment about nomenclature. I think it's helpful to have a name for our behaviors, as it gives them extra weight and importance. When I first developed this process at RSI, I chose the name "Fundamentals" because I thought these behaviors were fundamental to our success. In sports and music and art, people work on their fundamentals as they're the basic building blocks of success. Most of the companies we've worked with have followed suit and use that same name, and it's why we used to call the suite of methods, tools, training, and resources for

institutionalizing your culture, the "Fundamentals System." (As I've noted, it's since been rebranded as the Culture by Design methodology). We do have a few clients who use other names (e.g., Basics, Tenets, Principles), but most use Fundamentals. For simplicity, throughout the rest of this book I'm going to use the word "Fundamentals" as an alternative for the word "behaviors."

Who should be included?

As I noted earlier, while the responsibility for authoring your culture lies with the CEO, I strongly recommend the inclusion of the senior leadership team for their "contribution to your thinking." Depending on the size of your organization, this is typically a group of roughly 5–8 people. If your leadership group is smaller, that's fine. You just want to make sure there are enough people to get some dialogue and discussion going, and to get a variety of ideas on the table. If your group is larger, or if there are certain political dynamics that make it necessary or advisable to include more people, that's OK as well. The facilitation process can get a little clumsy when there are too many people involved, but I'd sooner have a few more people than exclude someone whose contributions and/or buy-in may prove valuable.

I'm sometimes asked about including non-management folks who may be influential workers among their peers, or who may be part of a "culture committee" consisting primarily of non-management employees. Here again, I'd follow the same guidelines as above. If you think their contribution will be significant and/or their participation will facilitate greater adoption among your workforce, then I'd err on the side of including them.

Establishing clear ground rules

Let me offer a warning here about a common mistake leaders make with regard to collaboration. You gather a group of team members and ask them to participate in a project. They contribute their ideas or feedback and then you choose to follow a different course or to accept some of their ideas and not others. The team members leave grumbling about why you even bothered to ask for their input since you weren't going to use it anyway. Does that sound familiar?

The mistake is in not setting clear expectations (a common Fundamental, by the way) around the role you're asking people to play in the process. Decisions can be made in a variety of ways. Sometimes it's best to vote and have the majority decide. Sometimes it's best to build a consensus. And sometimes you simply want input but you're going to make the final decision. Any of these approaches can be perfectly appropriate for different situations. If we're deciding about where to host the company holiday party, we might favor a majority vote; but that wouldn't be appropriate if we're deciding on whether to make a strategic acquisition.

The problem comes when participants thought they were playing by one set of rules and you had in mind a different set. In this specific case, if you're the leader, it's important to let everyone know that their role is to contribute to your thinking and that you'll be making the final decision. When you let them know this upfront, they're incredibly appreciative of the opportunity to contribute rather than feeling disenfranchised later.

Brainstorming behaviors

Once you have your team together, I'd suggest setting aside 3–4 hours for the brainstorming process. It can be helpful to have a facilitator guide the process so that you can participate fully without having to spend time or energy thinking about the group dynamics.

If it's logistically feasible to have your team physically together, it's great to do so. Our clients have often conducted their brainstorming as part of an off-site retreat or a strategic planning session. It's helpful for people to be away from the pressures of daily work so that they can think more freely.

If it's not feasible to bring the team together, this session can still be done quite effectively virtually. We've conducted many of these sessions using Zoom. When using Zoom (or any other video conferencing tool), it's helpful for the facilitator to share her screen so that participants can see the list of behaviors that you've accumulated so far. This mimics the process of hanging flipchart pages around the walls of the conference room.

While you may likely have some legacy materials you previously created around your vision, mission, or core values, for the purpose of this exercise, I think it best to set those aside and begin with a clean slate. Allow yourselves the ability to think freely, without being influenced by that previous work. When your list is complete, you can always look back at any previous materials as a reference point to ensure that you've covered everything that's important to you.

I'm sometimes asked if it's best for the leader to come up with her own list first and then share it with the team for feedback. I would counsel you against this as it tends to stifle thinking and it introduces a whole additional dynamic with some team

members wanting to be in sync with you rather than thinking more freely.

I like to begin the brainstorming process by asking some of the questions I listed earlier in this chapter. I'll repeat them here for your ease of use:

- What are the things that, if done more consistently, would make your company amazing?
- What are the things that you often "rant" about? If you're not sure, ask those around you. (After all, you wouldn't rant about them if they weren't important to you.)
- What are the things that drive you crazy when you see them happening? If they drive you crazy, you have some energy and passion around them. What's the opposite of those behaviors? In other words, what would you like people be doing instead of doing that which drives you crazy?
- Typically, in every department, we have at least one or more people who we wish we could clone. Remember the Alisons I talked about in the Preface? Think of your Alisons—the specific people you wish you could clone. What do they do that makes you want to clone them? Those are likely to be important behaviors. (Often it helps to visualize real people rather than trying to think of behaviors in the abstract.)

With these questions on the table, you can now allow your group to contribute their ideas. As you hear ideas, have someone record them on a whiteboard or on a flip chart. It's important at this stage not to worry about wordsmithing; just get the idea recorded. Though we're not trying to wordsmith, it *is* still important

to make sure we're clear about what the speaker means. Asking some clarifying questions for that purpose is perfectly appropriate, and can be quite helpful.

One of the clarifying questions I often pose is "What do you want people to actually *do*?" Or said another way, "What does this look like *in action*?" For example, sometimes I'll hear a leader say, "There needs to be more accountability around here." While that may sound good, I'm not really sure what that means in terms of the specific behavior they're asking for. I might ask, "What would you see someone doing that you would say they're demonstrating accountability?" This may lead to a clearer behavior such as, "I want people to take ownership for issues rather than waiting for someone else to solve the problem." I would then write down "Take ownership."

Keep writing down behaviors for as long as people have ideas. I often describe this process as similar to cooking microwave popcorn. When you begin, there will be lots of ideas popping from everyone. Eventually, the ideas begin to slow until there's just one popping here and another one there. Don't worry about how many behaviors you wrote down; just capture what's important. I'll show you in the next chapter why the total number isn't a big deal.

As you go through the process of brainstorming your behaviors, here are some things to keep in mind:

Pitched at the right level

Behaviors, of course, exist on a variety of levels, and it's important that we're working at the right level in this brainstorming exercise. In an overly simplified way, I think of behaviors as being one of three types:

1. **SOPs**—Standard Operating Procedures, or SOPs, are tactical actions that you want people to take. For example, "Make seven sales calls each week" or "Submit your expense reports with 30 days." While these are essential rules to follow for a successful company, they're not a definition of our culture.
2. **Management Principles—**Management principles are guidelines that we want to follow from a corporate perspective, but they usually apply only to leaders or managers. For example, "We want to empower our people" or "We want to hire the best talent available." Here again, these are important principles, but our Fundamentals should be actions that apply to all our employees.
3. **Principle-based Behaviors**—"Principle-based behaviors" are behaviors that apply to all people, but operate at the level of a principle. For example, "Honor commitments" is a principle, but it's an action. "Practice blameless problem-solving" is a principle, but it's an action. This is the level of behavior that we're looking for.

One set of Fundamentals

We should be able to create one set of Fundamentals that applies to all departments throughout the organization. In other words, we don't want to have one set for the sales department and another for the service department, nor do we want to have some Fundamentals that are only relevant for one unit. The best way to overcome this tendency is to "elevate" the behavior to the larger principle.

For example, sometimes I'll hear, "I hate when we have mistakes on our proposals. I want the sales people to double-check their quotes before they send them." While double-checking quotes is important, the larger principle here might be called "Pay attention to the details" or "Do it right the first time." Paying attention to the details would be as applicable for the receptionist as it is for the salesperson or someone in the plant, or the warehouse, or a truck driver.

While we want to state the Fundamental in a way that's broad enough to apply to everyone, we want to *teach* it to people in a way that's context specific. What it means to "Be a fanatic about response time" is different if you're a salesperson or a receptionist or a bookkeeper, but the overriding principle is just as applicable. We just want to teach it in a way that's relevant and meaningful to the person in question.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Should our behaviors be "aspirational"?

A question I often hear from clients is, "Should defining our culture be 'aspirational' or should it be a description of how we 'really are' today?" There are some writers and consultants who caution leaders about being aspirational for fear that team members might push back or become cynical if we describe behaviors that we don't currently practice very consistently.

I take a different view. I absolutely think we should be aspirational. After all, the whole point of the exercise is to describe the amazing company we're trying to build. Earlier in this chapter, I described creating the culture you want as a "design function." This is a visioning exercise. We're trying to envision our

best selves, and then we're going to do the work to bring that vision into reality.

We're not claiming that this is how we are today. Rather, we're calling out how we want to be; and when we fall short, as we surely will, we use it as an opportunity to coach and support each other along the journey.

And by the way, if we already have a pretty good company (and most readers of this book probably do), our vision for the future probably borrows heavily from who we are today. There are likely many behaviors that have been foundations for our current success, and we don't ever want to stop teaching them. We want to make sure that we capture those behaviors so that we can codify them and institutionalize them. In addition, there are likely a fair number of things we need to do better or differently in the future to achieve our vision. We want to capture those as well. So the definition of the culture we want to create is usually a combination of both the behaviors that have led to our success so far as well as the behaviors we need to improve upon.

Sometimes I'll hear a client say, "We don't need to list that one because it's one we're already good at." Again, the goal is to codify all the key behaviors that drive our success, whether we currently do them well or not.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Categories of behaviors

While it's not necessary to group your Fundamentals into any kind of categories, thinking of behaviors in categories helps

some people to brainstorm better. If you find that helpful, here are four categories you might consider to spur your thinking:

1. *How we work with customers*—These are Fundamentals that describe customer-focused behaviors. For example, "Deliver legendary service" or "Be a fanatic about response time."
2. *How we work with each other*—These are Fundamentals that describe ways of working together more successfully. For example, "Practice blameless problem-solving" or "Share information."
3. *How we do our own work*—These are Fundamentals that address the way we approach our work. For example, "Demonstrate a passion for excellence" or "Be relentless about improvement."
4. *Our attitude*—These are Fundamentals that describe the attitude that we display. For example, "Embrace change" or "Assume positive intent."

To be clear, these are categories that can help in your brainstorming, but I'm not suggesting that you ultimately place your final set of Fundamentals into categories like this.

How unique should our Fundamentals be?

Having taken hundreds of organizations through this process, it's not surprising that I've seen a lot of commonality among Fundamentals. I say that it's not surprising because companies are companies and people are people. In other words, what it takes to get a group of people to come together and perform in extraordinary ways isn't very different whether it's an engineering firm or an IT company or a construction company

or a non-profit social service agency. As a result, there is a core group of Fundamentals that should be in virtually every company, and then many others that also appear frequently across a wide variety of organizations. In fact, if you looked at the Fundamentals for many of our clients, you probably wouldn't be able to guess what industry they're in.

To be sure, there are a few behaviors that might be unique to an organization. For example, those companies involved in manufacturing or construction will frequently have a Fundamental about safety, where a service business typically would not. And one CEO may have a strong conviction about a behavior that another CEO feels less passionate about. But most Fundamentals aren't very different from one organization to another.

And remember our discussion about the difference between a branding exercise and a culture exercise. In a branding exercise, we're trying to describe for the marketplace what makes us unique. A culture exercise isn't so much about uniqueness as it is about organizational effectiveness. What it takes to be incredibly effective isn't all that unique. It's just that most organizations don't teach and practice the essential behaviors with enough consistency. In fact, I often say that the best people and organizations don't do anything that's so unusual; instead, they do what I call "ordinary things with *extraordinary* consistency."

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Write explanatory descriptions

Once your brainstorming is complete, it's important to write a brief description for each Fundamental. The description

should be 2–4 sentences that serve to explain a little more fully what you mean by that behavior. For example:

> **HONOR COMMITMENTS.** Do what you say you're going to do, when you say you're going to do it. This includes being on time for all phone calls, appointments, and meetings. If a commitment can't be fulfilled, notify others early and agree upon a new deliverable to be honored.

Notice how the description provides more clarity than does the simple two-word title. It explains what we mean by honoring our commitments. The description need not answer every question that might arise about the Fundamental. This isn't the place for it, nor would it even be possible. Throughout this book, we'll be discussing many other tools and opportunities for more robust teaching. This is simply a brief explanation that helps the reader to understand the essence of the Fundamental.

The bulk of the description should explain the actions you want to see people take, rather than being what I call "philosophical" statements. A philosophical statement is a statement of your belief or philosophy about the principle. For example, "Honoring commitments is critical to delivering great service." This may be a true statement, but it doesn't describe the action.

This is not to suggest that all philosophical statements should be avoided. Some are OK as they may add depth or nuance to the description, but the bulk of the description should be action-oriented. Here's an example of a description that's mostly action, but includes an additional statement.

EMBRACE CHANGE. What got us here is not the same as what will get us to the next level. Be inspired by the opportunities that change brings, rather than stubbornly holding on to old ways of doing things. Be flexible and open to new approaches.

Notice how the first statement isn't an action, but it helps to provide context for the action statements that follow. Again, make sure that the majority of the description explains the actions that give meaning to the title.

Make all titles actions

It's also important to make sure that every title is itself an action. While this may sound overly picky, it's a much more powerful statement when described in terms of action. The title "**OWNERSHIP**" is simply an idea. I may be in favor of it, or I may think it's a good thing, but it doesn't call me to do anything. The title "**TAKE OWNERSHIP**" is an action. It's an instruction. It tells me what to do.

When I created my original list of Fundamentals, I wasn't thinking about this difference, and so a few of my titles were written as declarative statements rather than actions. For example, Fundamental #25 at RSI was called "**BEING ORGANIZED MAKES A DIFFERENCE**." Notice that there's no action being called for (though, of course, I did include actions in the full description). Today, I call that same Fundamental, "**BE OBSESSIVE ABOUT ORGANIZATION**." It has much more power to it when written in this way.

Avoid "We" statements

The first time I helped a company (outside of my own) to write a set of Fundamentals, I made what I later realized was another mistake. I wrote each title as what I call a "We statement." For example, "**WE HONOR OUR COMMITMENTS**" or "**WE PRACTICE BLAMELESS PROBLEM-SOLVING**." I thought it would sound more inclusive if I wrote them that way.

While it might have that impact, it actually serves to weaken the statement. When it's written as a statement of what we all do, it doesn't speak to me as an individual and give me any personal direction or investment. Have you ever heard the phrase, "Shared accountability is no accountability"? If no one specific person has accountability, we all look to someone else for it. In the same way, a blanket statement such as: "We honor our commitments" doesn't speak to me about my personal responsibility.

The same warning applies to our descriptions. Make sure the sentences in your descriptions explain what you want people to do, rather than making statements about what "we" do.

There's actually another subtle, but important, reason to avoid the "we" statements, and it has to do with credibility. If we claim, for example, that "We honor our commitments," we're more subject to some team members saying "No we don't. I see lots of times when people around here fail to honor their commitments." People begin to see our Fundamentals as an unrealistic description of who we are and we lose credibility. In contrast, by writing the Fundamental as "Honor commitments," we're not claiming that we always do this. We're simply saying this is how we want to be, and when we fall short, we're going

to coach and support each other to be this way more consistently.

Picture a real person

As you think about how to write a good description, it's often helpful to picture real people in your organization. If you're trying to articulate the actions that describe "**TAKE OWNERSHIP**," picture some of your best people. Do you have anyone who you think is the world's greatest icon for taking ownership? If so, what does that person do that makes you say that? That becomes most of your description. If you don't currently have anyone who's a good example of this Fundamental, imagine you hired someone who was. What would they be doing that would cause you to say, "Wow! This person really gets this Fundamental"? The more accurately you can describe what you want to see people do, the easier it will be for people to understand it, and the easier it will be to teach and coach it.

My favorite way to write a good description is to think of what you would say to someone if you were teaching them this principle. If you want me to "**TAKE OWNERSHIP**" and I were to respond by saying, "I hear what you're saying, but I'm not 100% sure what you mean by that," what would come out of your mouth next? How would you explain to me what you want me to do? That's your description! We so often get tripped up in this work because we're trying to write this as a marketing schtick (remember my warning about that earlier in this chapter). This isn't a marketing schtick. This is the curriculum you're writing to teach your people. The more clearly you can describe what you want them to learn, the easier it will be for your leaders to teach it and the easier it will be for your team members to understand and learn it.

Keep it positive

In most cases, it's more helpful to describe what you *want* people to do, rather than what you don't want them to do. Instead of "Don't be late," it's more helpful to say, "Be on time." Give people a picture to live up to rather than a list of things to avoid. This is true both for the title of the Fundamental as well as the description.

While this is a good rule of thumb in most cases, there are some rare times when the negative form may be stronger, clearer, or more compelling. I've worked with companies in the food industry and we've included a Fundamental that we call, "**NEVER COMPROMISE ON FOOD SAFETY**." This is a clearer and more powerful statement than if we tried to turn it into a positive.

Within the body of a description, I also sometimes use a negative statement if it helps to add clarity, but the bulk of the description should help the reader to know what you *want* them to do more than all the things you *don't* want them to do.

One behavior at a time

Be careful not to combine too many ideas or behaviors into one Fundamental. The test I use to determine whether behaviors should be listed separately or combined is to think about whether the teaching around the component parts is robust enough that I'd hate to lose the chance to focus on each part because I blended it with other ideas.

For example, communication comes up as a major issue for almost every company. A Fundamental like "**COMMUNICATE EFFECTIVELY**" is too broad because there are so many things that need to be taught inside of that.

Virtually all of our clients have at least three or four different Fundamentals related to effective communication. We call them:

- **LISTEN GENEROUSLY**
- **SPEAK STRAIGHT**
- **GET CLEAR ON EXPECTATIONS**
- **SHARE INFORMATION**

Each of these behaviors has so much teaching content that we would risk the ability to focus deeply on them if they were combined into a broad discussion of communication.

Sometimes the ideas are sufficiently similar enough that we don't lose much by combining them. For example, in my original set of Fundamentals at RSI, I had both "**HONOR COMMITMENTS"** and "**BE PUNCTUAL**." Today, I would be more inclined to combine those as I view being on time as an example of honoring a commitment. I don't think we lose much by focusing on honoring our commitments and teaching the importance of being on time within that context.

How many behaviors should we have?

The question of how many Fundamentals is the "right" number is probably the question I'm asked most frequently, and it's also the one that surprises people the most. Let me start by saying that, of course, there is no "right" number. You should have whatever number of Fundamentals is necessary to cover the behaviors you think are most important to teach and practice in your organization. And to a certain degree, the number really doesn't matter much.

Having said that, I can share with you that having led hundreds of organizations through this process, the fewest I've ever

seen is 18, and the most I've ever seen is 40. The average number of Fundamentals is between 25 and 30. My original list from RSI had 30, as does my list for High Performing Culture. I can also tell you that virtually every one of those companies thought, in advance, that any more than five or ten would be too difficult and would never work. Almost none of those companies is saying that today.

The conventional wisdom for why we should only have 3 or 4 or 5 behaviors is that "people can't remember more than that." And you're right; they can't. But what's our goal? Is our goal to have a list that everyone can recite or is it to have people live the behaviors that drive success in our organization? Of course it's the latter. And there are more than 5 behaviors that drive success. If I were to show you my 30 Fundamentals but you only wanted 5, I would ask you to select the 25 Fundamentals from the list that you don't want to teach in your company and would be comfortable eliminating. It would be really hard for you to do!

Though I know this idea sounds counterintuitive, I promise that it will make perfect sense to you when you understand what we're going to do with these Fundamentals. Stay tuned, as I'll cover that in Chapter 6.

While the number isn't a major concern, there *is* still some outer limit where it begins to become unwieldy and perhaps overwhelming. As you look through the results of your brainstorming, you'll see that not every one of the ideas that was suggested has the same level of importance to you. That's the nature of brainstorming. You should feel free to eliminate those that you deem to be not as critical.

As a general rule, I try not to go over 30. At the same time, the most relevant issue is to capture what you think is important

to success. If you get your list down to 31 Fundamentals and there's nothing you want to give up, then I'd encourage you stick to 31 rather than letting go of something important just to get to an arbitrary number like 30.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Refreshing your Fundamentals

Another question I'm often asked is whether we should expect our Fundamentals to change over time or even whether we should schedule periodic reviews of them to explore appropriate additions or changes. My answer here has actually changed as I've had more experience with companies practicing their Fundamentals for a decade or more.

The best way to describe the approach I've historically recommended is to say that we should work on our set of Fundamentals with what I call an "intention of permanence." In other words, we should put the amount of time and effort into getting it right that would be appropriate if we were expecting it to last forever. We're not simply "getting something out there," figuring we'll adjust as we go. Nor are we planning on reviewing them every year or every five years.

If these behaviors are truly foundational to our success, they *should be* enduring. In fact, in a changing, chaotic, tumultuous world, it gives people a sense of security to know that they can rely on the Fundamentals as a stable foundation for their work life.

While I continue to believe this to be true, I've also found that it can be re-energizing for the team to periodically review the Fundamentals to assess if any changes are needed. We

eventually created a program around this called the "Refresher Program."

I suggest that this be done no more frequently than every 3-5 years. In this process we go through each of the Fundamentals to ask if it's still just as relevant or if it should be dropped or re-worded. We also look to see if there are any new behaviors that should be included. It's important to note that the goal *isn't* to make changes. Rather, the goal is to ask ourselves *if* there are any changes that are appropriate.

What I've noticed when we've led a team through this process is that they feel a renewed sense of energy and enthusiasm around their Fundamentals. Depending upon how many years it's been since the first set was created, there may be quite a few leadership team members who weren't part of that original process. And the same thing is true when it gets re-rolled out into the organization (we'll talk about the "rollout" process in Chapter 13). There may be many employees who weren't part of the organization when the Fundamentals were first rolled out and they now become more fully engaged.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Fundamentals in Action

Hotchkiss Insurance Agency, a family-owned insurance firm in Texas with over 200 team members, has been practicing their Fundamentals since 2017. In 2025, they decided it was time to do a "refresh."

After reviewing each of their original Fundamentals, they elected to drop a few, add a few new ones, and change the language on several of them. Once version 2.0 of the Hotchkiss Way was ready, they rolled it out to all team members in highly engaged sessions. Their CEO, Mike Hotchkiss, participated in every session. Notes Mike, "Given our growth, we now have many team members who weren't part of our company when we first rolled out our Fundamentals. It was exciting to see the enthusiasm and energy everyone brought to these sessions and the commitment our people have to the Hotchkiss Way. And for those who heard it in 2017, it was like a trip back in time, an opportunity to get excited again about who we are and who we aspire to be."

What do we do with our previous core values?

Most organizations have, at some point in their history, created some statements about their culture—perhaps a vision or mission or a set of core values. What to do with those legacy statements can be a perplexing question as you embrace the Fundamentals approach. Let me offer you an easy way to resolve this dilemma that's worked beautifully for so many others.

Broadly speaking, organizations who've done previous work on culture typically fall into two large buckets. The first are those who came up with a vision, mission, and values, perhaps even working with a consultant, put them on their website, and then rarely, if ever, talk about them. Most employees probably couldn't recite any of it, and it plays no meaningful role in how the company functions. Sadly, this is not unusual. In these cases, I simply suggest that you set aside about the previous work and start fresh by creating your Fundamentals.

Fundamentals in Action

Field Fastener, headquartered outside of Chicago, is a distributor of industrial fasteners, with approximately 300 team members working in multiple states and countries. Notes their CEO, Jim Derry, "We had put a significant emphasis on our core values but were trying to figure out how to make them clearer. The Fundamentals, which we rolled out in 2015, gave us the method to describe the behaviors that are important to our culture and helped us to be more consistent across all our locations. We've even converted them to Spanish and have rolled this out in Mexico. While we didn't let go of our core values, we describe our 'Fieldamentals' as the way in which we *live* our core values."

The other bucket includes those organizations whose leaders, perhaps the ones more likely to be reading this book, have been quite serious about their culture. They may have a set of core values that they worked hard to create, that are meaningful for them, and that they talk about frequently. In these cases, we don't want to simply go to our employees and tell them "Never mind! Forget everything we've been saying about our culture. We have a new plan." So how can we adopt the more practical approach of the Culture by Design methodology without having to give up everything we've done before?

Here's my recommendation: As I noted earlier in this chapter, when we develop our Fundamentals, we do so with a clean slate, not limited or influenced by any previous work we may have done. We then check our previous statements to be sure that everything that's important to us has been addressed in the Fundamentals. When we roll out our Fundamentals to the organization, we describe them as the daily practices that bring our values to life. It might sound something like this:

> "As you know, our culture is one of the most important ingredients in our success. And the five core values that we've always talked about are what define that culture. But what do those values mean in action? These 30 Fundamentals describe the day-to-day behaviors that help give those values life."

We're describing the Fundamentals as the way in which we live to our values. To be clear, and this is very important, we're not trying to "map" the Fundamentals to our values. In other words, we're not saying that Fundamentals 1-6 equal Value 1 and Fundamentals 7-12 equal Value 2, etc. We're saying that, *as a group*, the Fundamentals are how we demonstrate our values in action. This allows us to focus fully on the Fundamentals, without having to "cancel out" the previous work we may have done. This approach has worked fabulously well every time.

If you'd like a deeper explanation of this concept, you can find a short video in the Culture by Design resource library.

Vision, mission, values

In this chapter, I've explained how values and behaviors are different, and why defining your culture in terms of behaviors is ultimately more useful. We've also taken a close look at how to go about defining those behaviors for maximum effectiveness. While my experience working with companies across the country in virtually every industry has shown me just how practical this approach is, I'd be remiss if I didn't also touch on how the Culture by Design methodology relates to the more traditional method of defining culture in terms of a vision, mission, and a set of core values. So let's do that now.

Vision

Almost every company, at some point, has done an exercise where they attempt to provide organizational clarity by defining a vision, mission, and set of core values. A vision statement is a description of some future state that you want to achieve. It strives to answer the question, "*Where* are we going?" It's typically aspirational and puts a "stake in the ground" to describe where you want to be five or ten years from now. This might include statements like:

- We will exceed $100M in sales by 2030
- We will have the largest market share in our industry by the year 2032
- We will find a cure for breast cancer within seven years
- We will put a man on the moon by the end of the decade

The purpose of a good vision statement is to provide a clear, and ideally, inspiring goal for the organization. Being clear about where we're headed also helps the organization to make sound strategic decisions, since all decisions should help propel the organization toward its vision.

Mission

A mission statement is a statement of purpose. Its goal is to describe the reason the organization exists. It strives to answer the question, "*Why* do we do what we do?" Non-profit organizations almost always have a clear and compelling purpose, but most for-profit organizations also try to articulate a purpose. Beyond simply making money, is there some larger reason we exist?

Here are some mission statements from large, well-known companies:

- To attract and attain customers with high-valued products and services and the most satisfying ownership experience in America. (Toyota)
- To bring inspiration and innovation to every athlete in the world. (Nike)
- To refresh the world, inspire moments of optimism and happiness, and to create value and make a difference. (Coke)
- To be America's best quick-service restaurant. To glorify God by being a faithful steward of all that is entrusted to us. To have a positive influence on all who come in contact with Chick-Fil-A. (Chick-Fil-A)

Core Values

Core values act as a set of high-level operating principles for the organization. They strive to answer the question, "*How* do we go about doing our business?" Most organizations will articulate between four and eight values. They may include ideas such as:

- Quality
- Service
- Innovation
- Integrity
- Teamwork
- Transparency
- Respect

Much has been written about the younger generations and their desire to do work about which they can be passionate, and

the quest to be part of something larger than themselves, to make a meaningful difference. In order to attract, retain, and inspire these people, organizations of all types try to articulate a truly compelling vision, mission, and set of values. So what's wrong with any of this?

To be sure, nothing is wrong with the goal. Rather, it's the execution that's often sorely lacking. Instead of describing something that's authentic, they too often manufacture lofty statements that are so vague and generic that they fail to provide either clarity or inspiration. What's worse, they often generate cynicism and eye-rolls. Here are three actual mission statements taken from company websites:

- Our mission is to promptly respond to our client's needs for quality professional services through the effective management of our personnel resources, utilizing our extensive experience and knowledge while we remain strongly committed to innovation, partnership, and our client's interest.
- Our mission is to provide our customers with the highest quality people, products, and services needed for their success, while allowing for profitability and growth of the firm.
- Our mission is to provide the most technologically advanced products with responsive customer service. We strive to achieve a fair return for our suppliers and shareholders and a healthy, safe work environment for our Associates. We measure success by customer satisfaction, our industry reputation, a profitable business and the personal and professional growth of our Associates.

These statements are so broad that they provide almost no useful clarity. And they're certainly not likely to inspire anyone.

Beyond their lack of utility, there's an even bigger danger: By the time the organization's leadership team finishes their work on drafting and polishing these statements, and puts them on their website and their walls, they think their work on culture is largely complete and they never take the next steps. The idea of culture is relegated to being intangible, lofty, amorphous, and not all that relevant to doing "real" work.

I'm obviously giving you examples here of how *not* to write these statements, and certainly there are organizations that do this work with great passion and authenticity. But my experience is that these are incredibly rare.

In the clouds or on the ground?

Rather than being lofty or impractical, defining "behaviors" as I've described them in this book is incredibly useful. People at all levels of the organization can relate to them. Behaviors are "on the ground" rather than being "in the clouds." They provide tremendous clarity about how we want to operate and what's expected. That clarity is actually a gift to your team members. They *want* to know what's expected, and knowing exactly what's expected gives them a better opportunity to be successful.

To be absolutely clear here, I am not in any way against creating vision and mission statements. What I'm against are *vague and useless* vision and mission statements. My message to leaders is this: If you're not sure what your vision and mission are, keep thinking about them. Keep working on them. But don't put out statements that you don't believe in simply to be able to check the box and say you have them.

I'd rather see you begin by defining behaviors and then go back to work on your vision and mission. This way we can see

real impact and applicability quickly. If instead we start with vision and mission, we run the risk of getting too frustrated and never going further.

When I was running RSI, I struggled with this issue for years. Every time I read a book about culture or went to a seminar, I was told that we had to have a compelling vision and mission. So I'd go home and try to come up with one, but everything I thought of felt forced and "fake," and I simply refused to put out something that wasn't authentic for me. Eventually, we did have a vision and mission, but it took a long time before I had enough clarity in my own mind to articulate them. In the meantime, though, we were crystal clear about our Fundamentals, and we had an incredibly aligned workforce.

In case you're wondering, our vision was:

To be the best run small business in America

And our mission was:

To help small and mid-size businesses to be more successful by making their benefits work, and by inspiring them through extraordinary service and performance excellence

The vision truly drove my efforts to optimize every single aspect of our business, from how we did sales to service to

recruiting to finance to strategic planning. It had enormous influence over how we prioritized our activities.

The mission recognized that we were in the benefits business and that we were trying to help our clients be more successful, but it wasn't limited to benefits. We also wanted to inspire them to run their businesses better because of their interactions with us. It meant that doing seminars on best practices and sharing what we were doing with others wasn't a distraction; rather, it was a core part of our mission.

At High Performing Culture, we didn't have a vision statement because I honestly wasn't certain what our long-term goal was. I suspected I'd eventually figure it out. Our mission, though, was:

To transform people and organizations by providing them with the tools and the methodology to more consistently teach and practice the behaviors that drive success

This mission was very real for us. The process we teach is truly transformational, and we each feel inspired by the opportunity to impact people and organizations so profoundly. The statement also describes, in simple terms, what we do to transform them.

Just like at RSI, we established our Fundamentals long before we crafted our mission statement. And while this may sound contrary to traditional thinking, my experience is that most of the time it's ultimately more practical.

Here's the bottom line: The first step to "institutionalizing" your culture is to define, with tremendous clarity, exactly what you want that culture to be. The fastest, most effective, most practical way to do this is to articulate the behaviors (Fundamentals) you want to see your people practicing. This enables you to truly operationalize your culture.

Once you've accomplished this successfully, you can always go back and work on your vision and mission to provide an even greater level of strategic clarity.

In the next chapter, we'll look at how to teach and practice your Fundamentals with the requisite consistency to ensure they become ingrained.