



**How to Create a
VIBRANT CULTURE
in Uncertain Times**

AN INSIDER'S STRATEGY TO NAVIGATE
AN ORGANIZATION THROUGH A
TURBULENT GLOBAL MARKETPLACE

JACK PACHUTA

Preview

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THIRD EDITION

About the Cover

Why are ships pictured on the cover? After all, this book is about people and how they function within organizations. It's a fair question, and one that deserves a response.

The artwork for the cover went through several generations, from nondescript graphic to a shadowy photo of people walking past each other without recognition or emotion. None of them had the message I was looking for.

Finally, I used a photo I had taken – one that might need a brief explanation to tie it to the content. The vessels on the cover are all cargo ships lining up to pass safely through the Strait of Gibraltar. If you've never had the experience of visiting this nautical bottleneck, let me give you my personal impressions of one of the major landmarks of the world.

When I arrived at "the rock," my initial reaction was one of mass confusion. Everywhere I looked, I saw ships. Big ships, small ships. Commercial ships, naval ships. Ships flying flags from nations around the world.

All of them had one goal – to navigate a narrow body of water and traverse safely to the other side. At first glance, it seemed like an almost-impossible task. Too many ships and too little space. Ships from the Atlantic sailing east and ships from the Mediterranean sailing west. Surely something would go wrong and someone wouldn't make it.

Yet, with the proper skill and the ability to make adjustments, all of them navigated the paths that enabled them to achieve their

goals. Through the seeming chaos and confusion and roadblocks presented by the other ships and the currents, they were able to carefully plot the courses that resulted in success. They all had a plan – the right plan – and they knew how to carry it out to make it to the open water on the other side.

Although I was at Gibraltar on a beautiful, sunny day, I'm told that fog often shrouds the strait and passage is treacherous. It's during those "uncertain times" that the lessons learned on the sunny days truly come into play. The fear and anxiety of possibly not making it require the ships' pilots to call upon their training and their understanding of the situation to safely pull them through.

Does the photo make sense now? In this book, I'll give you my perspectives about the course your organization might be taking and ideas about how to make it through the passage when the times are tough. After all, it's easy to make decisions on a clear day. When the storms hit, your job gets a lot more difficult!

JP

Dedication

This book is dedicated to my friend and deceased colleague T Frank Hardesty. I met Frank in 1979 when I was hired to be the first-ever training manager at a financial service company in Milwaukee. At that time, Frank was a seasoned veteran in many ways. In his pedigree (he didn't have a resume), he referred to the fact that he'd fought at Iwo Jima, ("We won") but not to the fact that he'd never finished high school.

He'd advanced up the corporate ladder through street smarts and determination, and was then a "director" of the company – more out of convenience than out of necessity.

Frank was a self-educated person whose insightful observations led him to a successful career as a speaker and consultant before anyone really knew what that was. I learned much about how to handle an audience and communicate a message by being around Frank. Even today, I still use some of his material. (I have his permission to do so), and yes, I am still asked about him.

His influence runs rampant in this book – and he could have written a similar one if he'd had the mind to do it. Frank was my first true mentor in the art of working with people. I shall forever be grateful for the time I spent with him.

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Introduction

Unique in their similarities

You've felt it. We all have. A brief walk-through gives you a sense, a feel for how a company functions. You don't have distinct, defined reasons for those feelings. You only know that you already understand something about how that organization operates. In recent decades, this functioning has been labeled **organizational culture**. Each one is as distinct and personal as an ethnic or a family culture.

They vary among companies and organizations, and are determined by the ways in which their members interact, decisions are made, and rewards are given. Individual success within these cultures depends upon the ability to identify the clues that categorize the people, moods, and emotions that are part of the entire structure.

Then, an individual can resolve personal uncertainties by either developing a strategy for coping or, sad as it may seem, by fleeing to another organization where the culture is more in-line with personal values, beliefs and methods of operations.

What This Book IS NOT

This book is *not* an academic exercise or scientific study filled with charts, diagrams and calculated proofs that what I'm writing shouldn't be challenged. It was never my

intent to compile numbers and calculations into a system that would be more at home on a spread sheet than on a bookshelf. Certainly, I've used those types of studies when I needed specific insights into a particular area. They can be valuable tools to pinpoint paths that potentially can be explored.

Yet, documents that are too focused on the numbers often neglect the fundamental issue that I address in this book. It is people that make any organization vibrant and successful. By understanding what is *really* happening in the hearts and minds of its people, an organization is better equipped to handle today's global marketplace.

What This Book IS

This book is a collection of true-life anecdotes that I observed and lived as a corporate player, trainer, and consultant. They are not quantifiable as formulas or unalterable projections. Instead, they are my ramblings about the more than three decades that I've spent working with people in many organizations in various capacities.

It is no different than inviting you to sit down at my kitchen table, have a cup of coffee and just talk about what I've been doing. Over the years, many of my clients have told me that this is what's been most valuable to them – the opportunity to pick my brain and discuss what I've observed while getting involved in their operations.

So, this book gives you that personal, intimate perspective that isn't always shared unless it is requested. While I can't always tell you why I think and feel the way that I do, I would argue those thoughts and feelings are as valid (sometimes even more valid) as many of the academic studies that quantify with precision what goes on in the corporate world.

As much as managers and executives like to depend upon hard facts to make decisions, a simple truth is that people don't always fit into the same flowcharts and graphs that are analyzed during board meetings and investor briefings. The people in an organization need to be looked at in a different way.

The World Is Changing

During the '90s, the world economy was in its period of historic prosperity and organizations felt they had all the answers for success in a growing global marketplace.

On the morning of September 11, 2001, I was sharing some of the concepts that are the foundation for this book with an annual meeting of business professionals in Pewaukee, Wisconsin. After my presentation, the group's president announced that the nation was under terrorist attack.

That's when the words "uncertain times" were added to the title of this book. In retrospect, though, the uncertain times didn't start then. The events of that day certainly

added a new dimension to the uncertainty, but the ebb of the business cycle had started 18 months earlier.

Seven years later, in September of 2008, the nation and the world found out that letting the fox guard the henhouse wasn't a way to ensure long-term, global prosperity. The world economy stalled and drastic measures were required to put it back on course.

A struggle in Afghanistan and a massive oil spill in the Gulf of Mexico, coupled with a refusal in some quarters to admit that corporations should be fully responsible for their actions, all play into how an organizational culture affects the entire global community.

Now, economic conditions are improving and world financial markets are rebounding. Yet, the scars from those events remain a constant reminder of what can happen when the collective attention lapses into complacency.

Throughout the years, a consistent theme in working with my clients has been that "good people" are hard to find. Even though the unemployment figures are high, I'm told that it's still difficult to match the person with the job. So, though this book takes special note of the dynamics of the new economy, the observations and principles that you'll find in its pages apply to all times.

Frank Hardesty used to point out that nothing is new in management theory except the name we give to the latest

“hot” concept. While I used to smile when he said it, in retrospect he knew exactly what he was saying.

New theories ebb and recede like an endless tide lapping at the organizational shore. The constant, though, is the people who populate the structure. Their feelings and attitudes are at the core of everything that is done and achieved.

What you’ll find here is a system for looking at an organization based upon the attitudes of top management, the roles played by its members, and the operating philosophy that permeates all levels. The stories shared in this book really happened. The actual companies in which they took place will go unnamed. You’ll see the American corporate world through my eyes, and be privy to the thought processes that led to my conclusions.

They provide a starting point for understanding and initiating potential reform. They could also predict an impending organizational death as viability can be questioned and scrutinized in light of an organization's workings. As with the human condition, most causes of death are internal and endemic. They are long, slow illnesses which manifest themselves over a period of time. Without treatment, they can be terminal.

Although this book focuses on corporate America, the concepts and conclusions apply to all institutions in which people attempt to work together to achieve common goals.

My colleagues in the field of consulting will confirm that all organizations have a great deal of similarity in the ways in which they function, but within those similarities are the variations which make cultures unique. In that regard, the terms “company” and “organization” are, for the most part, interchangeable in this book.

By quantifying the similarities and the differences, I attempt to put culture into perspective and enable a quick diagnosis, leading to prescriptions that remedy potential problems. The choice either to take the medicine or to continue along the same path remains with the organization itself.

Today, the world operates in an environment in which opportunities are tempered by world events and uncertain futures. Email, texting and worldwide video conferencing put added pressure on decision-makers to get it right the first time. Organizations now deal with a new set of challenges and a need for accelerated change. Progressive organizations with vibrant cultures will survive. The others will not.

Chapter 1

The Basics

What culture is all about

The first step in understanding what's happening is to observe what's going on in the world around us.

When patterns and results repeat over time with high degrees of predictability, we have a basis for making statements that can be accepted as true. Trained researchers are good observers who translate what they've seen into theories and laws before taking action.

In the same way, my consulting and training have given me the rare chance to observe the inner workings of many organizations. And, as with scientific researchers, I've tracked the repetition of patterns in how organizations function. Consultants like to think that they are intuitive, and that their suggestions are based upon an almost-mystical process.

Consultants, though, merely translate prior experiences into logical projections of what is likely to happen in the future. The many observations I've stored in my gray matter data base are condensed here into what I call *The Basics*. That term is a tongue-in-cheek reference to the way in which many organizations approach their problem-solving sessions.

How often have you said or have you heard other people say, “We’ve got to get back to basics”? Most often, they mean they’ve got to return to the operational philosophies that worked in the past. The fallacy is, of course, that in today’s marketplace the basics have changed and continue to change. And, since the Septembers of 2001 and 2008, and the oil spill of 2010, new items have been added to the list of “must-have” considerations for success.

In early 2013, as the New York Stock Exchange reached its highest levels in nearly six years, companies around the world took a renewed look at their leaders and at the people who populate all levels of the organizational structure. Some dramatic management changes was the result, as well as major course corrections.

In this book, *The Basics* establish the ground rules for a perspective on organizational culture. They are not complicated. Most people will nod their heads in agreement as they are given, reinforcing the simple truth that organizational culture is easy to observe.

It’s not the observations, but how they are used that determines success. Utilization reaches to the very core of the attitudes and beliefs that support any group. These attitudes and beliefs help determine when changes must be made and the strategies that must be implemented for meaningful change to occur.

Belief systems hold revered positions in most organizations. They are the sacred cows that roam the

streets and are left unchallenged no matter what happens. Often, they are locked into the structure to such a degree that any attempt to revisit or change them is viewed as naivety or disloyalty. Yet, many core beliefs no longer reflect the world or the marketplace. Still, they intertwine with everything the organization does and can lead decision-makers down the wrong paths.

It is not always easy to make course modifications to an organizational ship that may be steaming in the wrong direction. I am told that it takes five to eight nautical miles to turn an ocean liner totally around. This turning radius is small when compared to what it takes to turn some companies around and to realize the effects of their current belief system and their stated long-range objectives.

The next chapters examine The Basics one at a time. Their impact is pervasive and at the heart of all successes or failures.

Chapter 2

The Executive Thumbprint

It all starts at the top

Leaders imprint their organizations with values, beliefs and operational philosophies. A brief conversation with the person (or people) at the top will tell you much about how people at all levels of the organization are expected to think and feel. So, then, here's Basic #1:

Basic #1: *The person at the top of the organization sets the tone for the way in which the entire organization functions.*

Whether for good or for ill, top management marks the organization with a thumbprint that affects everyone on the staff. Individuals who join the workforce with divergent opinions soon feel the pressures to adapt to the chief executive's perspective. No one is overtly told to alter their opinions, but it soon becomes apparent that "that's what we believe."

Those who do buy in are promoted. Those who do not, are left to stagnate with no advancement potential. It goes to the very core of the operational methods and attitudes that support any organization.

When the philosophy from above is one of openness, employees feel a sense of community and importance. If however, top management is closed and clandestine in its dealings, employees adopt similar patterns of intrigue and game-playing.

While some chief executives revel in the ability to form the organization in their own images, others are oblivious to the behind-the-scenes power that they have. Either they have been in their positions so long that they take these dynamics for granted, or they do not understand that “do as I say, not as I do” has never worked as a management method because employees invariably, in subtle ways, “do as you do.”

It is a continuing frustration to me to deal with chief executives who want something done, but who don't want to get involved in doing it. The most critical example of this is the formulation and implementation of an organization's mission and vision.

Many organizations have missions and visions, but only a fraction of them truly live them.

This is one of my hot topics and is discussed in a later chapter, so I'll wait until then to tell you what I *really* think about them.

Commitments to current management theory often seem like frozen custard stands advertising “the flavor of the day.” Who can ever forget TQM, or quality circles, or

MBO? In their days, they were held up as solutions to everything that ails an organization.

Many executives embrace the latest buzzwords because they want their organizations to be viewed as being on the cutting edge of management philosophy. Today, with the internet, global networks, and instantaneous news coverage, information moves quickly and tenaciously. (Who can ever forget watching the first bombs strike Baghdad or observing the “Arab Spring” as crowds demonstrated in the Middle East live on television and the Internet?)

The marketplace knows who really believes what they say and who are merely mouthing the words.

Often, top management decides to “buy” the latest trend. “Experts” are retained to come in, work with staff, and to leave only when an organization has the external trappings of the new belief system. Consultants can only point out the path to take. They can’t implement needed long-term changes without executive support.

When the executives' total involvement in the process is periodic updates or 15-minute briefings of how things are shaping up, they are often irritated when the experts leave and nothing has changed. Their bottom lines have not improved and their people have returned to old patterns.

Yet, they still speak the language of the new marketplace because the world requires that they adopt the “in”

vocabulary. They are responding to a market demand while not buying into the program.

Take the case of a small service company with which I once worked. The owner used all of the right words when it came to empowerment and employee involvement, but little things tell a lot about a person's real feelings.

Signs in the Lunchroom

One day, I walked into the lunchroom and noticed that the owner had put up a sign. It was a photocopy of a photocopy of a photocopy, so the quality wasn't very good, but the words on the sign spoke volumes about his management style.

The sign read: THE FLOGGINGS WILL CONTINUE UNTIL MORALE IMPROVES. It was the only sign in the entire office that had been personally posted by him.

Not wanting to overreact, I questioned the owner about the sign. He assured me that his people knew him well enough to accept it as the joke it was intended to be. He proclaimed not to subscribe to this philosophy, but found a great deal of humor in the message.

Surreptitiously, I asked the employees about the sign. In general, the response I received was a rolling of the eyes with no spoken comment. That is except for one person who said that she understood how the staff could be offended by the wording, especially since the owner made

a point of emphasizing that the company's goal was to treat everyone fairly and equitably.

I approached the owner again and made my case for changing the message. He didn't totally agree with me, but said that he would do something about it.

The next day, I walked into the lunchroom and the sign had been removed. In its place was a handwritten sign asking: ARE WE HAVING FUN YET? This was an improvement, but not what I ultimately had in mind. However, at least the owner was now thinking about the subtle nuances of what he was saying to his staff.

Talk is not only cheap, but also meaningless when other indicators suggest that spoken words aren't supported by internal commitments.

Data Plates Can Communicate A Lot

Contrast that to the case of an international heavy equipment manufacturer whose president became fully immersed in communicating with his staff. After several small group discussions, he realized that plant workers felt divorced from customers.

When a piece of equipment was manufactured and delivered, the people who fabricated the equipment had no contact with the end-users. Any comments or complaints were filtered through sales and customer service personnel who didn't provide effective feedback.

To remedy this, the president encouraged more employee involvement with customers by changing the company's way of doing business. Data plates on the equipment were enlarged. The names of every employee on the work team whose efforts went into producing the final piece of equipment were engraved on the plate. The record stayed with that unit for its lifetime.

Plus, several weeks after delivery, one of the employees named on the plate called the customer and asked a series of questions related to design, satisfaction, and service. Prior to this process, the people who produced the equipment had no contact with the people who used the equipment.

Needless to say, the personal contact had a series of very desirable results. First, the customer was able to ask questions of the work team that could not be answered by either customer service or sales personnel.

Second, the work team received real opinions and feedback about its efforts that translated into pride of ownership and better quality work.

Third, the president of the company proved that his commitment to open the channels of communications was more than just words. It was supported by actions that had a positive impact upon the entire company.

Change can require a cultural shift and a new belief system. Involvement from all levels of the organization is essential.

Lip service does not substitute for conviction. Yet, some top managers believe that they can forego empowering their subordinates and still be successful. Top managers may not always say this overtly, but by their actions and through their failure to “walk the talk,” they reveal their true inner opinions.