

The Link Between Culture and Performance with Dan Denison

Episode 21

As a leader, talk is cheap. Action is what counts and practice makes a difference. Below are practical steps to improve performance.

- **Use enormous caution when hitting the pause button on strategy.** Your first order of business as CEO is always direction and strategy. Today's challenges and uncertainty make it harder than ever to predict the future, but that's your job and only you can do it. Despite the chaos and distractions – or, perhaps, because of them – what are the key elements of your strategy and what are the implications for everyone in the business, as a result?

You may need to remind yourself that you're CEO for a reason; you've been answering these questions, providing direction and strategy for years. You've got this. If you're overwhelmed, step back, take a deep breath, and engage your board and leadership team to create solutions. Just don't continue to hit the pause button on these or your business will suffer. If anything, instead of hitting pause, consider using the fast-forward button.

- **The market pays little return on unimplemented strategies.** Success comes from the strategies you implement, not the ones you aspire to. That means you've got to create a connection with everyone in the organization, top to bottom, to mobilize the team in pursuit of execution. As we like to say, "good luck executing without your people". Consider this an existential threat to your job because CEOs who don't deliver on strategy don't last very long.
- **Employees are human beings, and human beings are tribal.** Recall what Dan Denison told us in this episode about two characteristics of successful baboon tribes as relayed by the famous primatologist, Jane Goodall. First, none of the senior members of the tribe perform any productive work within the tribe. Rather, their function within the tribe is to decide the future of others. Second, every member of the tribe makes eye contact with the alpha male member for direction every 20 seconds on average. We clearly have evolved from primates, but human beings remain tribal and need connection and direction.
- **You won't be successful without being able to show empathy and compassion.** One of the most powerful things you can do as a leader is connect with others, and we've already mentioned above how you'll need to do that if you expect to implement any of your strategies. Through connection, you can express a sense of purpose to others that bonds them to the organization and to you. There are literally thousands of courses you can take

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to sharpen the skills of empathy and compassion, so there's no excuse not to be growing in these areas.

And if you're finding it difficult to show empathy and compassion even after learning how, do your own internal assessment of how you feel these days. Are you frustrated, angry, fearful, resentful, bitter, sad, or anxious? Any of these will short-circuit your ability to be fully present with others, so you'll need a self-care plan to find peace before you can help others. Go back and listen to Episode 20: *Mindfulness and Self-Care with Walkyria Whitlock* for strategies to apply sooner than later.

- **Culture is about the system.** It's complex, always evolving, and deeply human. No one argues the complexity, but we often forget how constantly changing and human-centric it is. Therefore, to understand your culture, you've got to better understand the people who make it up. The closer you are to your people, the greater you will understand the culture and how to influence it.
- **Onboarding never stops.** It's not an event or a check-box exercise and its broader than just onboarding new employees to a job. Rather, think instead that you are always onboarding new and seasoned employees alike to the company network, to its purpose, and to your Vision. Once you begin onboarding, it continues because the network, purpose and Vision are ever changing.
- **Connection is even more important in the hybrid work environment.** With much of our communication having moved virtually from one centralized location into home-offices around the city, state and sometimes country, the need for connection to maintain and grow your culture is greater than ever. We may connect differently today than we used to – or you'd like to – but your employees still need to connect.
- **The geography of hiring has forever changed.** Recognize this is your new reality so the process of adapting your practices can begin. But rather than see it for its challenges, focus instead on the opportunities it affords, like increasing DEI and acquiring harder-to-find skillsets.
- **You are in an opportunity-rich environment.** Yes, there are challenges from the pandemic. Yes, everyone has felt the pain of disruption and chaos. But with perspective, you will see that disruption creates opportunity, and many companies and leaders are capitalizing on those opportunities. Find yours.

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- **Purpose and Culture are the ultimate magnets.** The next generation of talent disrupted old-school business thinking in a way that now makes great organizational culture and work-with-a-purpose a requirement in exchange for their services. Like it or not, you and your leadership team need to adjust and see these as the new price of entry. If you can't adjust, you simply won't attract the next generation of talent you need to sustain long-term growth, and your workforce will grow more irrelevant with each passing year.
- **Consistency helps you in the beginning, but growth comes from change, conflict and innovation.** Innovation is likely how you entered the marketplace in the first place, and consistency is how you created a sustainable business. That said, businesses that remain consistent and lose the innovative mindset that launched them in the first place are sitting ducks to be picked off and passed by the next wave of innovation. There must always be a balance of consistent predictability in your business with an innovative, creative conflict that challenges the status quo.
- **Think about the future from an organization design perspective.** Where do you hire people? Where do they come from and where do they go? How do they interact? Today's most successful organizations are adapting to become conference centers with different action learning teams that come together for a purpose and then go back to their workspaces for the heavy-lifting.

Unfortunately, there's not much guidance yet for how to redesign your own organization, so you'll have to tackle this one internally. But it'll be critically important to engage and listen to your millennial middle-managers to solve this problem. They've got enough experience to know what it takes to lead and manage, but they're also digitally native enough to innovatively approach the problem.

- **Changing culture is more like changing the dynamics of a family than it is just pulling quick-change levers.** Framing the culture-change objective this way sets the right tone and expectations for the work ahead. We often tell our clients that changing your culture from wherever you are to a high-performance organization is a 3- to 5-year journey because people and relationships are at the heart of that culture and cannot be changed overnight. You'll be immensely disappointed – and even more frustrated – if you set out to change your culture through a few quick-fix, check-box initiatives.
 - **Think of your culture as a bank account.** Just like any account, a finite number of withdrawals can be made if you're not also making deposits. If you want to reap the rewards that come from a great culture – the compound interest, so to speak – then
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you've got to make regular and meaningful deposits to grow the balance. Without that mindset, you may one day overdraft your culture and be surprised by the penalties you incur.

- **Don't build fear-based hybrid- and remote work models.** We get it, there are serious trust issues at the root of hybrid and remote work. Leaders who believe work is best done in person or who need to see their people to believe they're working are in danger of building fear-based hybrid and remote work models. But just like any policy or process built on fear, the outcome is devastating to your culture.

Instead of making employees come to work just so you can see them, build your hybrid- and remote work models around the activities that are better done in person, not how often you think someone should be in the office. This may mean you don't have a one-size-fits-all policy for every employee of the company, and what works for one department may not work for others. Build those models at the local level, not corporately, and trust local leaders to manage them.

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