LEAP OF REASON

MANAGING TO OUTCOMES
IN AN ERA OF SCARCITY

The Inescapable Importance of Culture, Part II

Mario Morino
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In "The Inescapable Importance of Culture, Part I," I shared my strong belief, based on 40+ years of experience, that people and culture have a huge impact on an organization's ability to achieve its outcomes. Organizations with willing, insightful, and courageous leaders who foster healthy performance cultures are those most able to provide maximum benefit to those they serve.

So how, precisely, do we nurture a culture through words and deeds? What can we do to strengthen the connective tissue that binds an organization together and cultivate an orientation toward performance? Here are some of the things that I think are most pertinent:

Recruit culture leaders. An effective way to influence culture is to find people whose personalities, attitudes, values, and competencies exemplify the culture to which you hope to evolve. Sometimes these leaders are sitting right in your midst, waiting for the opening and encouragement to do their thing. At other times you have to recruit from outside the organization. It is often the combination of developing from within and recruiting from outside that fosters a performance culture.

Walk the talk. Model—that is, live—the behavior you want others to practice. In my corporate life that meant getting out to talk with and listen to our customers. It meant (and still does) little things like answering a phone within a few rings and picking up that piece of trash on the floor. And it meant bigger things, like being sure that the decisions on corporate direction and people's careers were grounded in the organization's guiding principles.

I've been fortunate to be involved in a three-year transformation of a school, guided by a leader the board recruited in 2007. From its inception, the school's teachers and staff genuinely cared for the students they served. In fact, this caring attitude was the defining characteristic of the school for more than two decades. But as the organization grew from a small school with several grades to nearly 400 students in grades one through twelve across two campuses, the stakes changed.

Starting with the leader's unrelenting commitment to the students, intense work ethic, strong values, and abiding belief in the potential of his staff, he led a quest to change the culture. And he did so by first "walking the talk" himself and then getting the faculty and staff to do the same. For example, he, the faculty, and the administrative staff changed the dress codes for faculty; highlighted the importance of individual responsibility; ended the practice of students sometimes referring to teachers by first names; encouraged curiosity and new ideas; achieved a greater level of transparency; and made excellence in teaching the norm. They effectively modeled behaviors of a learning community for the students to emulate, and it's beginning to yield results.

Know what you stand for. Take the time to flesh out your core beliefs and your guiding principles, and then do what it takes to make them more than just slogans on the wall above the water cooler.

In my corporate life, I was a fanatic about customer service, and we recruited people we thought were inclined the same way. One day I dropped into the office of a systems developer who wanted to share a new idea. As he sketched his suggestions on a whiteboard, I asked him what our customers would think. He was utterly dismissive of our customers' input, and that turned out to be a career-altering error. Being highly responsive to and respectful of our customers was a guiding principle of our firm and a sacred part of our organizational culture.

A well-defined and accepted set of guiding principles is important to any organization, but I suspect that it is especially important for those in the nonprofit sector. It may sound corny, but take the time—through an inclusive process—to define the principles that guide what you do as an organization and as individuals. Then ensure that these principles are embraced by and instilled in every member of your team.

Northeast Ohio's Lawrence School did an outstanding job in this regard. You can see the clarity of the school's vision, mission, and guiding principles on its [website](). There's nothing pro forma about these statements. The leadership

team—staff and board—invested three months in debating and fleshing them out. Once that comprehensive process was complete, every member of the leadership team took the time to assimilate these definitions and then work to instill them throughout the full faculty, administration, and student body. The definitions are no longer words on paper but principles upheld by everyone in the school.

Answer the question "To what end?" Despite all the fancy rhetoric around mission, scaling, accountability, and the like, the reality is that we often have to go back to basics and ask, "To what end?" Defining an organization's true purpose is absolutely essential to cultivating a performance culture.

Some years back, I participated with a school's leadership team in a frustrating process that was supposedly about instilling "excellence in education." The school's programs were, at best, only average. Many within the ranks knew that the academic programs were middling, and some parents suspected it as well. As is always the case, the students knew it most of all. Yet the school's administrators and board members refused to face reality and failed to examine what they were trying to accomplish for the students they served. "To what end?" went completely unaddressed. The lack of clarity about purpose continually limited the leadership's ability to put the school on a trajectory toward excellence.

In contrast, I've had the recent opportunity to get to know a Catholic high school and its new leader. From our discussions it is evident that he has a clear vision for what excellence in education looks like for his institution—a vision that's deeply rooted in the institution's values. The leader is taking bold steps with his board to ratchet up the dialogue on excellence. He has already moved to introduce the *International Baccalaureate (IB) program for the school's educational core and brought in a top-notch educator with extensive IB experience to implement it. Clearly, this school is setting a course to answer "To what end?" in a way that will provide strong guidance for faculty, students, and families.*

Ensure that everyone's moving toward the same destination. In my business life we once brought in a speaker to inspire our team and get everyone on the same page. He gave great examples of getting folks involved and buying into mission, the normal song and dance of inspirational speakers. But he wrapped up the session with a pithy statement that is indelibly etched into my memory: "Catch the vision or catch the bus!" Harsh? For sure, and it's unlikely that you'll use it at your next all-hands meeting. On point? Very much so.

Don't get me wrong. I welcome constructive questioning, and many colleagues, past and present, have war stories about "spirited" debates that took place within our teams. But once the debate draws to a close and we set a plan of action, everyone is expected to close ranks and align to the overarching goals. It's even OK for the dissenters to continue their line of questioning within the team. But if their actions, overt and covert, work in direct opposition to the goals, that's the time when they need to move on.

Several years ago, an organization I know well undertook a transformation to address some problems and materially improve its programs and services. The organization had done a good job while it was small. As it expanded to provide a broader set of services, quality suffered. To rectify this, the organization's leaders decided to revamp what they did to be more evidence-based in their programs.

Some of the longtime staff members who were fixed in their ways found this new approach hard to accept, even though the changes were showing positive results. After a reasonable length of time had passed, the leaders set out to work with those not yet onboard, making it clear that the organization was committed to this new approach. The leaders laid out their expectations clearly and helped staff members transition to the new approach. This clarity and thoughtful approach resulted in the departure of some staff members, but those who chose to remain "caught the vision."

Ensure a balance between leaders and managers. Leaders are inherently disruptive,

dissatisfied with the status quo, questioning. They move the organization and people out of their comfort zones. They drive change, always looking for ways to improve. An appropriate motto of leaders is "The only way you can coast is downhill!" A healthy organization needs leaders in key strategic positions—including, of course, the top!

Managers, by contrast, have to keep the trains running on time. They make sure people do their jobs well, achieve intended results, and have the competencies and resources they need to succeed in their work. An appropriate motto of managers is "Stay focused; hold steady on the tiller."

There must be balance. If leaders hold too much sway, the organizational culture often ends up being chaotic, even threatening, and the organization becomes at best unreliable. If managers prevail too much, the organizational culture tends to be self-satisfied and tied to maintaining the status quo. The organization will be a poor bet for sustained high performance

Be clear and direct about what you expect. I've struggled for a long time to uphold this principle and still don't always do a very good job. Many years ago, my partner in the software business overheard me talking to a person on our development team. Never one to miss a chance to help me get better, my partner said, "You really raked John over the coals for not doing a good job on the routine you asked him to develop. Did you ever explain to him what 'good job' meant? If not, you have no grounds to criticize him. You never let him know in clear enough terms what you wanted from him—and then you expected him to read your mind!"

If you want associates to do their jobs as well as they can, you have to be clear about what you want them to do. You have to have a process for assessing their performance—one that involves their input—so that they get regular feedback on what they do well and where and how they need to improve. One of the tragedies of most organizations is that the people who work there get almost no meaningful feedback, robbing people of vital insights for how they could be better.

Encourage self-improvement and personal growth. Are you ever puzzled (or dismayed) when people don't ask others for advice or help? When there is an important discussion and people don't ask questions or take notes? When people aren't curious enough to explore beyond their assignment? When people don't give input?

A few years back I was working with school leaders to help them frame a business plan, and I vividly remember asking one of the principals, "What do you think about how we can improve the curriculum?" First came a long pause and a look of astonishment. Finally the principal replied, "No one ever asked me for my input before. We are simply told what to do." In my view, that was a crystal-clear sign of an unhealthy culture and an organization not likely to achieve its intended outcomes.

It is not just important but imperative to encourage personal growth. One nonprofit executive shared what he tells his people: "Life is change. Therefore, as individuals or as an organization, by definition, either we're getting better or we're getting worse."

In my experience, people who improve, innovate, and adapt are curious souls and self-learners. An organization's culture should encourage people to ask questions, seek advice, do research, improve what they do and how they do it, help each other, push each other's thinking, probe, nudge, adapt, look at things from different vantage points. All of these behaviors lead to improvement and innovation for the organization and the individuals who are part of it.

Conversely, if you really want to stifle this kind of positive culture, all you have to do is kill the dialogue by saying, "This is how we do things"; demean or punish people for asking questions or offering advice; fail to acknowledge when they need help or direction; or avoid being clear and forthright. You can be sure you'll turn everyone off. They'll keep their heads down and do only what's required of them. They'll comply to survive—and add nothing more.

My Darth Vader Years

I don't want to leave you with the impression that I've figured out all the mysteries of nurturing a performance culture. In fact, when I look back over my career, I see many things I would do differently—especially things I would do with more compassion. Those who know me will not be shocked to learn that back in 1991 at a raucous team celebration for our software business, I was presented with a humorous video depicting me as Darth Vader.

Despite my shortcomings as a leader, I worked very hard to nurture a performance culture. Factoring in that I might be engaging in slightly revisionist history, I believe that the people in the company really cared about what they did and how they did it. They cared about our customers and each other—so much so that these relationships often grew to close friendships, anchored in mutual respect. People worked hard not because I decreed that they should but because they wanted to do their work very well; they wanted to experience the exhilaration of excellence. When we made mistakes, our openness allowed us to quickly admit and rectify them. It was inherent in the culture that we would respond this way.

It wasn't always sunshine and lollipops, because there was always pressure to perform to high expectations—not just to the firm's expectations but to their peers' and their own. But I have received many notes over the years from those who worked with me during that era saying that those years were some of the most enjoyable and rewarding in their careers. And I honestly believe our work had a lasting impact on those we served (our customers) and the field.

I don't wish Darth Vader–style leadership on any organization. What I do wish is that all leaders would take the time to establish real clarity on the ends they want to achieve, have the courage to line up the right team to fulfill the mission, make clear what they expect of their teams, be disciplined in their execution, and model the behaviors they want the organization to exhibit. When you combine all of these things with a good heart, respect, and genuine caring, you almost inevitably shape an organizational culture in which people take pride in what they do and are eager to excel and play a role in fulfilling the organization's mission. And that's a great formula for creating a real difference in the lives of those you serve.

—Mario Morino