

A VALUES COACH SPECIAL REPORT

Moving from a Culture of Accountability toward a Culture of Ownership

**The Next Frontier for Customer Service,
Operating Productivity and Employee Loyalty**

**A Special Report from Values Coach Inc.
By Joe Tye, CEO and Head Coach**



Values Coach Inc.

**Transforming People through the Power of Values
Transforming Organizations through the Power of People**

Jordan Creek Plaza, Box 490, Solon, IA 52333-0490

www.joetye.com

319-624-3889

**Have you
ever changed
the oil in a
rental car?***

*** You are accountable for returning the car with a full tank of gas, so you do, but there is no pride of ownership so you don't wash it and wax it or check the oil.**

From Accountability to Ownership

Organizations need to hold people accountable for fulfilling the terms of their job descriptions, and for not behaving in ways that are inconsistent with the values and mission of that organization. But in today's turbulent and hypercompetitive world, that's not enough to remain competitive, much less to make the now-proverbial jump from good to great. Great organizations are characterized by people holding themselves accountable because they have pride of ownership. This Values Coach special report will consider the practical distinctions between accountability (which is of the left brain) and ownership (which is of the right brain), describe eight essential characteristics of a culture of ownership, and share a handful of practical strategies for promoting a spirit of ownership in your organization.

Any time you hear someone say 'that's not my job,' see someone ignore a customer or walk by a patient room where the call light is on, or not stoop down to pick up a piece of paper on the floor, that person is just renting a space on the organization chart. They're not taking ownership for the work itself. While most people long for the feeling of ownership, most of us (at least internally) rebel at the notion of being held accountable, and when we look at the difference between the two, it's no wonder:

Accountability: Doing what *you are supposed to do* because someone else expects it of you; accountability springs from the extrinsic motivation of reward and punishment. *Merriam-Webster Dictionary:* "Subject to having to report, explain or justify; being answerable, responsible." *Core metaphor:* I'm holding your feet to the fire.

Ownership: Doing *what needs to be done* because you expect it of yourself; ownership springs from the intrinsic motivation of pride and engagement. *Merriam-Webster Dictionary:* "The state, relation, or fact of being an owner," which in turn is defined as "to have power or mastery over" or "to acknowledge to be true, valid, or as claimed." *Core metaphor:* I'm transferring title to you.

We often hear people say during Values Coach consulting engagements something to the effect that "we don't hold each other accountable." But when we press the issue, they're often not really talking about accountability – they're talking about ownership; we don't take ownership for our work, our results, and our relationships. So it's important to distinguish those things for which people can be held (and hold themselves) accountable and those things for which they must take ownership. Here are examples:

You can hold people accountable for:

- Complying with your rules
- Showing up on time
- Discipline
- Saying the right words
- Meeting budgets
- Meeting deadlines
- Results
- Competence
- What they say at work
- Appearance
- Treating people with respect
- Saluting
- Their job description
- Keeping their feet to the fire

But not for:

- Living your values
- Being emotionally present
- Loyalty
- Asking the right questions
- Thinking entrepreneurially
- Working with passion
- Dreams
- Caring
- What they say at home
- Pride
- Honoring people's dignity
- Laughing
- Their life decisions
- Putting their hearts into the work

It's Not about Money

Merely granting stock options or creating a profit-sharing plan will not establish a culture of ownership. When it comes to creating corporate culture, that sort of ownership is emotional, not economic. We've all read stories of CEOs who get huge stock options and then, after the layoffs are done with, move on to the next big payday. People like the infamous "Chainsaw" Al Dunlap are not really owners, they're just renting a lucrative spot at the top of the organization chart. And we've all known housekeepers who have an incredible pride of ownership in their jobs and their organizations.

A culture of ownership is not created by economic interest, it springs from emotional commitment.

The Left Brain Counts and the Right Brain Matters

To understand the difference between accountability and ownership, it's helpful to use the left-brain right-brain dichotomy as a metaphor. The post World War II era was substantially left-brain dominant. Organizations were run by the numbers and business leaders said such things as "what gets measured gets done." They built organizations where the focus of performance was on accountability. It was a left brain world. Over the past decade or so, there has been (to use another overused cliché) a gradual paradigm shift toward a bicameral world where such right brain qualities as imagination, creativity, loyalty, and culture are seen as being equally, or more, important. This understanding is reflected when business leaders say such things as "culture eats strategy for lunch."

Albert Einstein said that the things which can be counted don't always count, and the things that cannot be counted often really do count. TQM guru W. Edwards Deming – the ultimate numbers guy – said that the most important number in any organization cannot be counted. More recently, in his book *A Whole New Mind* Daniel Pink writes about the transition from the information age (left brain) to the conceptual age (right brain). We colloquially use the left-right brain dichotomy to describe personality traits or professional interests: left brain is the bean-counter, right brain is the poet. But it's also a very useful construct for thinking about organizational transformation. For example:

- *Left brain is linear, right brain is relational.* In sales, left brain is going for the close; right brain is building relationships. In healthcare, left brain is fixing a broken body; right brain is recognizing that we also need to heal a hurting soul.
- *Left brain is rules, right brain is values.* When people buy into a common set of values, you don't need to have a huge rulebook (for example, the famous two-sentence employee policy manual of Nordstrom); in the absence of shared values, however, you need to have lots of rules (the IRS comes to mind).
- *Left brain is management, right brain is leadership.* Management is a job description; leadership is a life decision. Some of the most effective leaders in any organization don't have a management title – they lead through effort, example, and influence. In today's complex and competitive world, we need leadership in every corner, not just in the corner office.
- *Left brain creates plans, right brain inspires people.* One reason so many SWOT analyses fail to build upon strengths, compensate for weaknesses, pursue opportunities, and protect against threats is that the left-brained managers who put them into those ubiquitous three-ring binders didn't go onto the shop floor or up onto patient care units to inspire people to take ownership for "the plan." For more on this see the book *Strategy and the Fat Smoker; Doing What's Obvious But Not Easy* by David Maister; the challenge of strategy is not figuring out what to do – e.g. quit smoking or lose weight – but rather inspiring people to rise to that challenge.

- *Left brain optimizes, right brain innovates.* Most TQM and productivity improvement processes are of the left brain – making current processes leaner and meaner. Creativity, on the other hand, rests on a foundation of curiosity and courage, which are both attributes of the right brain.
- *Left brain can be measured but not seen, right brain can be seen but not measured.* What does ROI or the bottom line look like? These are just statistical abstractions. What does enthusiasm look like? You can't measure it, but you certainly can see it (or its absence) the instant you walk into a room.
- *Left brain is a given, right brain is a choice.* You cannot wake up in the morning and decide to be an accountant or a brain surgeon. Except over the very long term, left brain qualities are fixed. But each of us chooses the attitude with which we approach our work, and the emotions we project onto coworkers. This is essential to understand because you can much more quickly and effectively influence choices (right brain) than you can givens (left brain).
- *Left brain is inert, right brain is contagious.* I recently spent four days traveling with the chief financial officer of a Fortune 500 company; I did not “catch” one iota of chief financial officering ability. But we've all seen someone walk into a room and almost instantly infect everyone with their emotions, for better or worse. Most right brain qualities such as enthusiasm, optimism, courage, curiosity, and passion are more contagious than flu bug in a kindergarten class – as are their negative counterparts of sourness, pessimism, fear, mindlessness, and boredom.
- *Left brain can be left at work, right brain comes home with you.* You can let the briefcase sit unopened in the corner while you read a book or play with the kids, but it's impossible to leave behind the exhilaration of a great day or the frustration of a terrible day. One you take home and share with your family, the other you take home and dump on your family.
- *Left brain is what you do, right brain is who you are.* If someone moves into a new community, they might go to the yellow pages to select a doctor. But over time, they will stay with that doctor because they know, like, trust and respect him or her as a person – because of who they are. Likewise, a nurse will take a job with a hospital because that hospital happens to have a vacancy in his or her specialty area, but they will decide whether or not to stay with that hospital over time because of the intangibles of the organization's invisible architecture of core values, corporate culture and emotional environment.
- *Left brain recruits, right brain retains.* You recruit people with the “honey” of pay and benefits, responsibilities and opportunities for advancement, and other measurable aspects of the job. But you retain them because they're passionate about their work, they love the spirit of fellowship in their work unit, and because they feel important. A carpenter might leave a construction company for more money, but he won't walk away from a Habitat for Humanity project in a pay dispute.

An organization in which there was strict accountability without a sense of ownership would be a dreadful place to work. An organization in which everyone had a sense of ownership but in which there was no accountability would be chaotic. Today's world demands accountability – but in a culture of ownership that accountability is inner-generated. In a culture of ownership, people *hold themselves accountable* because they buy-in to the values, mission and vision of the organization.

Quantum leaps in productivity, customer satisfaction, and employee morale won't be gained by more effectively executing left brain strategies. Many of these approaches have reached, or are reaching, a point of diminishing returns. In the future, right brain qualities like creativity, passion, connectability, daring, and determination will provide the most important sources of competitive advantage. And these right brain qualities will be substantially influenced by the “Invisible Architecture” of your organization.

**A carpenter might leave a construction company
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Invisible Architecture and a Culture of Ownership

Your immediate impression upon approaching any organization – be it a business, a school, a hospital, or a government agency – will be created by the physical architecture. But whether or not you become a loyal customer or employee will not be affected in the slightest by the design and décor of the building, will it? Quite to the contrary, whether or not you continue to patronize, or work for, the organization, and recommend it to friends and neighbors, will be almost solely determined by things that cannot be seen – by what we call the “Invisible Architecture.” To employ a construction metaphor, the foundation of your invisible architecture is your core values; corporate culture is the superstructure of flooring, walls and ceiling; and the interior decoration is the emotional climate of the workplace. Ironically, we put incredibly detailed attention into the physical design and construction of our buildings – every single electrical outlet, doorknob, and ceiling panel is included in a blueprint – and then allow the invisible architecture to evolve haphazardly, without plan or direction.

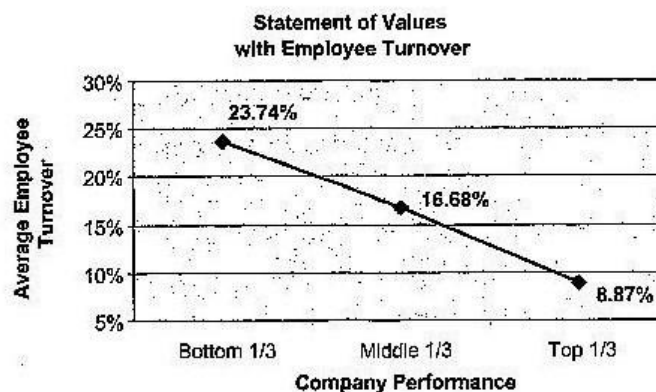
Invisible architecture is to the soul of your organization what physical architecture is to its body. Invisible architecture, not the buildings, determines whether you are a good organization, a great organization, or just another organization.

The Foundation: Core Values

A culture of ownership rests upon a foundation of the organization’s core values. Whether for an individual or for an organization, a statement of values defines what you stand for and what you won’t stand for. At the personal level, a core value is a deeply-held philosophical commitment that defines and shapes how you think, how you set goals and make decisions, how you develop relationships, and how you deal with conflict. At the organizational level, a core value should define your non-negotiable expectations regarding how your people behave, the goals toward which you direct your collective efforts, and how you work together. People will act out an organization’s values only to the extent that they perceive them to be congruent with their personal values.

Values and Loyalty

Almost by definition, a culture of ownership requires employee loyalty. Apartment buildings are characterized by high turnover; neighborhood communities are not. Research conducted by the late Roger Herman and colleagues, and described in their book *Impending Crisis: Too Many Jobs, Too Few People*, shows a strong correlation between an organization taking values very seriously (as reflected in a formal statement of values, employee training on those values, inclusion of those values in performance appraisals, and the like) and employee loyalty (as reflected by turnover) within that organization. The following chart is taken from that book.



Commitment to Values Enhances Employee Loyalty

The Values → Behaviors → Outcomes Continuum

Many organizational values statements are a blend of values, behaviors, and outcomes. Integrity is a core value; honesty and reliability are behaviors reflected by people of integrity; and trust is the outcome of those behaviors. Recognizing that continuum can help the organization's leaders to encourage behaviors that create desired outcomes, and at the same time promote a culture of ownership. Let's say, for example, that the desired outcome is excellent customer service. One of the behavior sets that's essential to this goal is a cheerful and positive attitude, as reflected in facial expression, tone of voice, and body language. You can hold people accountable for saying the right words ("May I help you – I have the time"), but only people who have personally bought-in to the organization's values will come across as being sincere.

The more powerfully you connect those behavioral expectations with individual values – in this case the value of enthusiasm, (one of the values in our course on *The Twelve Core Action Values*) – the greater the buy-in. If people are enthusiastic because they know it will help them be happier and more productive in their personal lives, you won't have to give them a happy face customer service pin to motivate them to do an enthusiastic job of serving customers. It's been said that everyone listens to the same radio station – WIIFM, or *What's In It For Me?* And the most effective way to demonstrate the WIIFM factor for people is to demonstrate the connection between the organization's values, expected behaviors, and desired outcomes and their own personal values. People are more likely to be effective stewards of an organization's resources if the organization helps them do a better job of managing their own money; they're more likely to more enthusiastically serve customers if they appreciate how enthusiasm can help them be better parents at home.

Core values define what you stand for – and what you won't stand for – as an organization.

The Superstructure: Corporate Culture

Every organization has a culture, though in many cases that culture has evolved haphazardly rather than by conscious design. Culture is to the organization what personality and character are to the individual. It is ultimately the only sustainable source of competitive advantage; everything else can be copied (the way a competitor can copy a business model) or stolen (the way a competitor can hire away your best employees). Crafting culture is a paramount leadership responsibility; cultural blueprinting is more important than designing buildings. The core cultural characteristics that you define inevitably become central to the brand image of your organization as it is perceived by the community.

It's a common misconception that culture is not amenable to leadership influence. There are, in fact, many examples of massive and rapid changes being made, for better or worse. Jan Carlzon transformed SAS Airlines from an inefficient, money-losing enterprise into a quality leader by focusing on a culture that put people first (documented in his book *Moments of Truth*). Robert Nardelli, on the other hand, is widely seen as having trashed the entrepreneurial culture of Home Depot before being paid more than \$200 million to leave (the ultimate in executive rentiership). Every organization is really a cultural patchwork quilt. Ideally, there are a few overarching themes that define the organization, which are then woven into the subculture of each different unit. This means that not only does the CEO have the ability (and responsibility) to influence corporate culture, so does every other manager have the ability to influence culture in their corner of the organization – again, for better or worse.

Culture is to the organization what personality and character are to the individual. The core cultural characteristics that you define inevitably become central to the brand image of your organization as it is perceived by the community.

The Interior: Emotional Climate of the Workplace

In recent years, much has been written on the subject of emotional intelligence (see in particular the work of Daniel Goleman). Emotional positivity is essential to a culture of ownership: within the workplace, people with an ownership mindset are cheerful and optimistic. You cannot have a culture of ownership in an environment where people have negative attitudes about their work and pessimistic expectations for the future. One of the key duties of a leadership team – and one that is too often abdicated – is to confront and transform such toxic emotional negativity. They owe it to their customers and to their employees. For that matter, they owe it to the individuals who are toxically negative.

You cannot see toxic emotional negativity, but that doesn't mean it can't harm you. Quite to the contrary – it is contagious and it is malignant: the spiritual equivalent of ambient cigarette smoke, as harmful to the soul as smoke is to the body. In fact, there is now conclusive evidence that negative emotions are physically harmful. One toxically-negative person will drag down the morale and the productivity of an entire work unit. We cannot help but be influenced by the people we spend time with. It is a core leadership responsibility to create a workplace environment where toxic emotional negativity is not tolerated. This is especially true in healthcare, where toxic emotional negativity in the workplace can cause iatrogenic anxiety for patients.

The emotional climate of the workplace is defined by what you expect and what you tolerate, and over time what you tolerate will dominate what you say you expect. If leaders say they *expect* cheerful customer service but then *tolerate* toxic emotional negativity, this will become the accepted standard. If leaders say they *expect* respect but then *tolerate* people gossiping about others behind their backs, then respect for the dignity of others become just a good intention. When leaders tolerate toxic emotional negativity, the end result is that the expectation of integrity is perched on a slippery slope that ends with “never get caught” instead of “always do the right thing.” Just as we once eradicated toxic smoke from the workplace, it is now our obligation to eradicate toxic emotional negativity.

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Invisible Architecture, Contrarian Toughness, and the Current Economic Crisis

A solid foundation of core values, a sound corporate culture, and a positive emotional climate will promote a spirit of what I call “contrarian toughness” for thriving during difficult times. In *Shift: How Top Real Estate Agents Tackle Tough Times* Gary Keller (founder of Keller-Williams International, the world's fastest-growing real estate company) says that the *only* time to grow a real estate agency is during a down market. During the declining economy of the late 1960s, McDonald's increased spending on training, marketing and expansion while its competitors retrenched, and no one has ever caught up – McDonald's is still the world's largest fast food chain (and we all know it's not the quality of the food keeping them at the top!). Likewise, Pepsi got a march on Coke by investing in a down market when Coke was cutting back. *For the organization as for the individual, times of trouble merely make you more of who you are.* With a collective spirit of contrarian toughness, your people will see times of difficulty as windows of opportunity rather than as closing doors of insecurity.

“We need to see opportunities where others see barriers. We need to be cheerleaders when others are moaning doom-and-gloom. We need to face problems with contrarian toughness because it's in how we solve those problems that we differentiate ourselves from everyone else.”

From *The Florence Prescription: From Accountability to Ownership* by Joe Tye

Spark Plugs, Zombies, and Vampires

The Gallup organization has extensively studied the factors that lead to employee engagement (e.g. *Gallup Management Journal*, June 2006). The results are disturbing, and should be of concern to leaders in every organization, because employee engagement is probably one of the most important factors that creates a source of competitive differentiation in terms of customer satisfaction, operating productivity, and employee loyalty. Gallup has distinguished between three groups – those who are fully engaged, those who are not engaged, and those who are actively disengaged. We call those people Spark Plugs, Zombies, and Vampires respectively. In every organization, there is a bell curve reflecting the distribution of positive, neutral, and negative attitudes of the people within that organization.

Spark Plugs: Gallup projects that about one-quarter of employees are actively engaged in their work, meaning that they work with real passion and have a strong sense of connection with the mission and with their coworkers. Think of these people as Spark Plugs – the people who take pride of ownership in their work and in their organization. When a Spark Plug walks into a room, they “spark” others with their energy and their enthusiasm. They don’t sit around waiting for someone to tell them what to do – they see problems and they fix them, they seek opportunities and pursue them. A critical mass of Spark Plugs is vital to a culture of ownership. In our training initiatives on *The Twelve Core Action Values*, we call participants Spark Plugs because that’s what we expect them to do – bring a spark to their own lives and to their organizations. Attachment 1 includes a typical example of the “job description” that we expect course participants to agree to. Spark Plugs buy-in; they think and act like partners in the enterprise, not just hired hands.

Zombies: According to Gallup, about 60% of today’s employees are not engaged with the work, with their coworkers, or with the mission of their organizations – meaning that they’re just putting in their time. They are “sleepwalking” through the workday without much enthusiasm, and without a strong sense of connection with the work they do or pride in the organization that pays their wages. They are hired hands, not partners, and make little or no contribution to innovation and improvement. Think of these people as workplace Zombies. In our experience, many of these so-called Zombies really want to be (and might already see themselves as) Spark Plugs. Unfortunately, they are often under the influence of Vampires, whether or not they themselves recognize or acknowledge that fact.

Vampires: Finally, Gallup says that about 15% of employees are actively disengaged, meaning that their lack of enthusiasm and commitment are on open display, and that they exert negative peer pressure on others to join them in the swamp of toxic emotional negativity. Think of these people as Vampires. They suck the energy out of the people around them, and they suck the life out of their workplace. They sabotage productivity, customer service, and the brand image of the organization that is giving them a paycheck. Vampires often have domineering personalities, which means that they exert undue negative peer pressure in their work units, and disproportionately influence the perception that customers and community have of the organization. *In order for there to ever be a culture of ownership, it is imperative that the organization’s leadership have the courage to confront these Vampires and demand appropriate attitudes and behaviors, and discharge them if they do not comply.*

Gallup research suggests that people do not see the workplace as it is, they see the workplace as they are. People with a positive attitude are predisposed toward being intrinsically motivated and engaged; people with a negative attitude are predisposed toward rumor-mongering, finger-pointing, and avoiding real work. Positive employees are far more likely to focus on challenges than they are frustrations, while pickle-suckers (people who are so toxically negative that they look like they were born with a dill pickle stuck in their mouth) actively seek out things to complain and gossip about. Positive and engaged employees are far more likely to perceive their relationships with supervisors and coworkers in a positive light, while for disengaged workers the reverse is true. Furthermore, Gallup findings show that engaged workers are far more likely to be happy with their lives overall than are unengaged and actively disengaged workers; a culture of ownership is not only good for people’s careers, it’s also good

for them and their families. Though it is perhaps difficult to ascertain which is the chicken and which is the egg, the overwhelming disparity in responses strongly indicates that disengagement leads to a negative perception of the workplace and coworkers, and not that a bad workplace environment and unpleasant coworkers leads to disengagement.

People who are renting their spot on the organization chart see the job description as a ceiling – a limit on what they are expected to do. People who own their jobs and take pride in their organizations see the job description as a floor – the minimum they expect of themselves, and to which they add their own individual efforts to make a difference in the lives of customers and coworkers.

Honey and Glue – because “recruiting and retention” is not one word

In the subtitle of his book *The Loyalty Effect*, Frederick Reichheld calls employee loyalty “the hidden force behind growth, profits, and lasting value.” In today’s economic climate, where many organizations are looking to reduce employee head count, it’s easy to lose sight of the fact that by all expert accounts, within the next 5-10 years there will be a serious shortage of trained and talented people. These projections are reflected in book titles like *Impending Crisis: Too Many Jobs, Too Few People* (Roger Herman et al), *Workforce Crisis: How to Beat the Coming Shortage of Skills and Talent* (Ken Dychtwald) and *The 2010 Meltdown: Solving the Impending Jobs Crisis* (Edward Gordon). Whatever short-term exigencies might be required to manage labor costs, responsible leaders must keep an eye toward recruiting and retention needs of the future.

In considering future needs for recruiting and retention, it is frequently overlooked that these are two entirely distinct processes – a fact that is often missed even by seasoned HR professionals. At Values Coach, we call this the “Honey and Glue Effect.” Organizations recruit with “honey” – the left brain inducements of pay and benefits, job title and status, opportunities for advancement and so forth. But those things do not earn employee loyalty. An employee who joins an organization only for these sorts of measureable benefits will eventually leave when someone else offers them more. Loyalty is earned with the “glue” of shared values, commitment to the mission and to coworkers, a spirit of fellowship on the job, and other such right brain intangibles.

People with pride of ownership, who have bought-in to the values, purpose, and vision of the organization, are held with glue-bound loyalty. People who are only accountable must have their tenure purchased and re-purchased with the honey of pay, benefits, and status or they will eventually be lured by more honey elsewhere.

Eight essential characteristics of a culture of ownership

A culture of ownership is unlikely to evolve spontaneously, but it can be fostered through deliberate management effort. Here are eight essential characteristics that are found in organizations where there is a culture of ownership.

Commitment: People who think like owners are committed to the values, vision and mission of their organization, and are committed to their own development in their professional roles. As one example, Auto-Owners Insurance – a Fortune 500 company that’s been a longstanding Values Coach client – has ten core values (these are: honesty, hard work, prudence, loyalty, the team, the customer, relationships, opportunities for associates, stability and consistency, and profit). The company commissioned us to develop a training program for those ten values, which every associate completes. Over the past four years, I have randomly asked hundreds of A-O associates to tell me from memory the company’s ten values – almost everyone knows all ten by heart, and they recite these with pride and enthusiasm. Moreover, they know what those values mean in terms of what is expected of them.

Engagement: People who think like owners are actively engaged in their work and feel a sense of connection with their coworkers and with their organization. At one of my speaking engagements, a CEO from the audience told me that everyone at his company has the same job description: “First and foremost a salesperson, last but not least a janitor.” To the extent that his people fulfill that job description, the company will foster a culture of ownership. Values Coach has worked with more than a dozen hospitals that are members of the Planetree Alliance, the leading proponent of patient-centered care. The *sine qua non* of patient-centered care is caregiver engagement with the patient (something that Florence Nightingale emphasized in her classic book *Notes on Nursing*). Planetree caregiver retreats are one way that affiliate hospitals re-engage people with the spirit of purpose and mission that should be the driving force behind the healing professions.

Passion: People who think like owners believe their work is important, and they do it with great enthusiasm. Southwest Airlines is a great example of a company that has fostered a culture of ownership with their hiring mantra of “hire for attitude, train for skill” (hopefully not for pilots!), and by expecting that people will have fun on the job. Griffin Hospital adopted *The Twelve Core Action Values* as the curriculum for their *Dare to Care* employee training program in 2000, and for the past ten years has been on the *Fortune* magazine roster of *The 100 Best Companies to Work For*; Griffin has more than 400 applicants for every job opening. A big part of their success in fostering a culture of ownership is top-to-bottom passion for their mission of *Changing the Face of Healthcare*.

Initiative: People who think like owners anticipate problems and seek opportunities, then have the gumption to take action and seek help if they need it. In my book *The Florence Prescription*, I call this the “Proceed Until Apprehended” principle. One of the core values of our client West Central is innovation, and as a result of a culture that encourages initiative they have become one of the nation’s most successful value-added agricultural cooperatives and world’s largest producers of biodiesel fuel (they recently spun off that business into a new company – Renewable Energy Group). I documented this incredible organization’s culture in my book *The Farmer: The West Central Story*.

Stewardship: In a culture of ownership, people are as careful with the organization’s resources as they are with their own, in part because they know that the organization’s leaders are concerned with helping them optimize their own resources. Real stewardship, though, is more than just being judicious with existing resources – it is also thinking creatively about how to create value.

Belonging: People who think like owners are given the inside story regarding operations and finance; hired hands are told only what they need to know to get their own jobs done. Jack Stack and his team at Springfield ReManufacturing (a company that rebuilds diesel truck engines) invented “open book management” to assure that every line worker understands the company’s finances in detail, including how their own work impacts the bottom line – and their paychecks. At Pixar, the weekly staff meeting covers technology, finance, competition and other key operating issues; every employee, from CEO to housekeeper, attends the entire meeting.

Fellowship: The Gallup study mentioned above showed that a leading indicator of employee engagement is whether people have good friends at work. A culture of ownership, where people are truly engaged in the work, is characterized by a spirit of fellowship that encourages friendly collegiality. *The Pickle Challenge* is one of the exercises we prescribe to diagnose the level of toxic emotional negativity in an organization, which is the first step toward eradicating it. A spirit of fellowship cannot grow in an emotionally toxic workplace environment.

Pride: People who think like owners take pride in their jobs, in their professions, and in their organizations. One of the exercises I often conduct in my workshops is challenging people with having a great answer for the universal icebreaker question “what do you do?” The ideal answer will convey this: I love what I do, I’m good at what I do, and I’m proud of what I do.

14 great ideas for fostering a culture of ownership

There are limitless possibilities for fostering a culture of ownership; I'll share with you 14 great ideas. Undertaking the transition from a culture of accountability to a culture of ownership must, however, be undertaken as a full-throated initiative by the leadership team and cannot be just another "program of the month." So individual ideas should be seen as one element of a broader commitment to promote a culture of ownership.

Review and, if appropriate, renew the organization's values: Most organizations have a statement of values of some sort, though these are sometimes little more than wall decorations. The first step toward fostering a culture of ownership is often a serious review and reflection of the current statement of values (if there is one). This raises the obvious question of whether a statement of values is like The Ten Commandments, immutable for all time, or more like the U.S. Constitution, amenable to amendment. Whether or not changes are anticipated, using every opportunity to reinforce those values helps to make clear the attitudinal and behavioral expectations that they engender.

Provide training on values-based life and leadership skills: At Values Coach, we believe the most powerful way of promoting a culture of ownership is helping your people crystallize, internalize and operationalize their *personal* values in a way that also reinforces the core values of the organization. As Marshall Goldsmith (one of the nation's leading executive coaches) writes in his book *What Got You Here Won't Get You There*, people will put their hearts into organizational priorities only to the extent that they see those priorities as being consistent with their personal values. Teaching people the skills for living their personal values (and they *are* learnable skills) is one of the best ways to gain buy-in (aka ownership) to the organization's values, vision and mission. You can download a special report *The Business Case for Values Training* at www.joetve.com.

Important note: If you as a manager cannot recite your organization's values from memory, and explain why they were chosen, then you cannot possibly expect that the people in your organization will be able to do so. If you don't know your values and consistently speak about why they are important and the expectations they create, you are inadvertently sending a message that they aren't really that important.

"We know from our research that the people who are clearest about their [own] vision and values are significantly more committed to their organizations than are those who are not clear about their [own] vision and values."

James M. Kouzes and Barry Z. Posner: A Leader's Legacy

Invest in soft skills training: If two teams of equally talented, well-trained, and well-coached players are competing in a game of some sort, with the only difference being that players on one team all have positive self-images and high self-esteem, while players on the other team have poor self-images and low self-esteem, who would you bet on to win the game? The answer should be obvious, but very few organizations invest in helping people learn the skills for combating negative self-talk and developing higher self-regard. And those are learnable skills. A winning team is built around individual team members who know how to think and act like winning players. *Note:* One of the best all-around books on the skills of personal development is *The Success Principles* by Jack Canfield.

Know your story and tell it: Every organization has a Big Story that is reinforced with lots of little stories. The Big Story of Hewlett-Packard can be told in four words: "started in a garage." That Big Story has been reinforced by hundreds of little stories of bootstrap innovation over the years. The Big Story of Southwest Airlines was first written on the back of a napkin in a Texas barroom; that story has influenced the company's whimsical culture ever since. Stories are a powerful culture-building tool, and effective leaders are accomplished storytellers. Some hospitals have begun publishing caregiver stories (e.g. Banner Desert Medical Center and Sentara Obici Hospital). *Note:* As a speaker, I know that

the *only* way I can really connect with an audience is with stories, so every key point I make is reinforced with a story (all of them are true, and some of them are factual).

Employ the power of rituals: Rituals were among the first signs of human civilization. In his book *The Reinvention of Work*, Matthew Fox writes that one of the most effective actions we can take to revitalize our careers and our organizations is to restore and renew rituals. Rituals foster a culture of ownership – and they are a good investment. Southwest Airlines has more parties than every other airline put together, and it is by far the most productive and profitable company in the airline industry. Texas Roadhouse is the fastest growing steakhouse chain in the country, and makes rituals like the “alley rally” an integral element of their workday. In the early days of the company, Sam Walton created a sense of ownership with the Wal-Mart Cheer; likewise, when IBM was a fledgling company Tom Watson Sr. cultivated esprit de corps among his salesmen (they were all men) by having them sing the IBM Fight Song.

Establish meaningful support groups: One way that an organization’s leadership can show people that it cares about them as real people, and not just as hired hands, is to help them deal with the things that matter most to them personally. For many people in today’s world, getting out of debt and achieving a better handle on their personal finances is one of the most important priorities in their households. Connecting people with a personal finance coach or advisor, giving them a book to work with (for example, *The Total Money Makeover* and companion workbook by Dave Ramsey), and then providing a structured support group (preferably on paid time) to help them hold themselves accountable for their own personal finances can be a powerful way of earning loyalty and fostering ownership. For an expanded treatment of this idea, see *The Dream Manager* by Matthew Kelly.

Use management role-playing to teach critical skills: In our leadership retreats, we often break the team up into groups of four and ask them to act out a short skit. In this, three people are asked to play the role of people who are positive and enthusiastic about their work and their organization, and the fourth is asked to play the role of a negative, bitter, cynical, sarcastic “pickle-sucker.” In almost every case, it becomes clear that people are not prepared to confront inappropriate attitudes and behaviors in a constructive way. A good use of the monthly department head meeting would be to demonstrate, and have people role-play, various approaches to constructively confront people who are engaged in gossip, whining, finger-pointing, passive-aggressive resistance, and other forms of toxic emotional negativity.

Important note: During my speaking engagements, the most frequent question I’m asked is some variation of this: “How do I prevent the negative attitudes of people around me from sucking the joy out of my working day?” If someone wants to come to work, be enthusiastic and productive, and go home physically tired but emotionally uplifted, but the organization tolerates toxic emotional negativity to deprive them (and their coworkers and your customers) of this joy, it reflects a failure of leadership.

Let people play to their strengths: The Gallup research mentioned above also concluded that eight-of-ten (80 percent!) of workers do not believe that their greatest strengths are being used on the job. This is a missed opportunity for the organization, and a tragic waste of potential for the individual. Creating a “fill-in-the-blank” job description in which every employee is invited to demonstrate how something they love to do can be an asset to the organization can tap into these hidden strengths and talents. Every year, Springfield Remanufacturing (the company where Jack Stack invented open book management) holds several customer appreciation days. One of the activities is a fishing trip. They don’t hire professional fishing guides, they use their employees who love to fish; several times a year they get to fish on company time, and show off their fishing prowess to visiting customers.

Deconstruct the status hierarchy: When I was chief operating officer of a large community teaching hospital, every three months or so I would spend half a day wearing the uniform and doing the job of a housekeeper. I was treated as a completely different person than when I was wearing my executive

costume. Thom Greenlaw, who was then director of environmental services for the hospital and is now chief operating officer for a private school, requisitioned sharp new uniforms for the entire housekeeping staff. The fact that there was no money in the budget for housekeeping uniforms did not deter him in the slightest. Within months of his implementing the new uniforms and other pride-building, status-busting actions, our housekeeping quality scores began to skyrocket. There is a status hierarchy in every organization – that’s human nature – but, as Thom showed in our hospital, there are practical actions leaders can take to diminish the visibility of the totem pole. People who feel like they’re at the bottom of a status totem pole are not likely to feel a sense of ownership for their organization and its mission (or, as the leader of one of our client organizations puts it, they won’t put in extra effort to increase the bonus of the boss’s boss).

Minimize internal competition: In their book *The Knowing-Doing Gap: How Smart Companies Turn Knowledge Into Action*, Jeff Pfeffer (my former Stanford business school professor) and Robert Sutton include a chapter with examples from the business world on how promoting internal competition can “turn friends into enemies” and, even though certain employees or departments “win” the zero-sum game, the organization as a whole loses. Their recommendations include hiring, rewarding and retaining people who value cooperation over personal winning – and moving out those who don’t; focusing competitive energy on external threats and opportunities rather than internal turf-building and bonus-gaining; building “a culture that defines individual success partly by the success of the person’s peers”; and making it a leadership mandate that people share information, teach and learn from others within the organization, and work together toward overall company goals.

Don’t underestimate what people can do: During the 1980s, the Mazda car company found itself with too many factory workers for the volume of cars it was selling. Rather than lay off workers, the company put them through sales training, gave them briefcases filled with brochures, and sent them door-to-door selling cars. It saved their jobs, and might well have saved the company. It certainly fostered a culture of ownership. Especially in today’s challenging economic environment, there can be a real benefit to pushing people out of their comfort zones by challenging them to take on responsibilities that are substantially beyond what is traditionally expected of people with their job description – and perhaps substantially beyond what they themselves think they can do.

Give people something to crow about: Can you think of an industry that is more boring than industrial ventilation systems, or a company name that is more boring than HVLS (for high volume, low speed) Systems Inc.? It would be hard to brag about being an employee there. Several years ago, the Lexington, Kentucky-based company changed their name from HVLS Systems to what their customers already called them – Big Ass Fans! But they didn’t just change the name – they transformed the image of the entire company. They painted a giant smiling jackass on the side of their building; hired Walter Perry (“the refrigerator” from the Chicago Bears) to be their spokes-ass; started their own line of Big Ass Fans products, and donated revenues from product sales to adopting a herd of poor orphan donkeys. That and a lot more – you can check it out for yourself at www.bigassfans.com. The company has doubled its sales in almost every year since the name change. One of the benefits they’ve realized is that they’ve given their workers something to crow about. You might not be able to change the name of your organization (somehow, Big Ass Hospital or Big Ass University don’t seem to work), but what *can* you do to help your people feel like they work for a really cool organization?

Know when to be penny-foolish and pound-wise: Several years ago I was traveling with a marketing rep from Auto-Owners Insurance who told me that he still remembered his first day more than 18 years earlier. He’d been scheduled to begin on January 4, but the corporate vice president for human resources called him at home and asked him to move the start date up to December 27. Why? They wanted to make sure he was eligible for the Christmas bonus that year! That’s not an uncommon sort of story at Auto-Owners. One of their ten core values is “prudence,” and they are *very* prudent when it

comes to spending, but they also know when to spend in a way that other organizations might consider to be extravagant in order to earn loyalty (another of their ten core values). In a tough economic environment when many organizations are cancelling the annual (fill in the blank: employee picnic, holiday party, whatever), doing something *extra* really stands out, and might be the thing people remember 18 years later, when they are still loyally serving the organization and its customers.

And finally – don't buy your own press clippings: When Jim Collins (author of *Built to Last* and *Good to Great*) was asked in a *Fortune* magazine article for what he believed to be the most important quality of great leaders, he replied "humility." Achieving a culture characterized by values-based leadership and a spirit of ownership is not a destination, it is a journey. The day you think you've arrived, you've probably already started to backslide.

Attachment 1

Typical “Spark Plug” Job Description

Summary:

Spark Plugs are trained in *The Twelve Core Action Values* to help them more effectively achieve their own personal and professional goals, and are also expected to serve as a helper and a role model for coworkers, patients, and others by practicing the skills they have learned.

Responsibilities:

Spark Plugs use the skills that they have learned in the training program to:

- Become more creative, productive, and enthusiastic at work and in their own personal and professional development.
- Reflect a positive attitude, treat everyone with respect, and refrain from the negativity of complaining, finger-pointing, and rumor-mongering.
- Assume informal leadership roles by setting an example of positive team-building and motivation for others.
- Help coworkers, friends, and family members deal with frustration and adversity in a more positive and constructive manner.
- Take to heart the seven simple promises of *The Self-Empowerment Pledge* and take *The Pickle Pledge* for a more positive attitude.
- Be a role model of positive leadership in representing our organization in a positive light for the community at large.
- Be a teacher and a role model to the parents and children of our community, helping them develop the practical skills that are essential to succeed in today’s world.
- Enhance compassionate caregiving by sharing with patients appropriate strategies for managing anxiety and adversity.
- Our industry, and hence our organization, will continue to be in a state of change, and Spark Plugs can help us effectively manage that change by being advocates for progress and by sharing the skills that they learn in this course with their colleagues.

Training Requirements:

Attendance at a training session on *The Twelve Core Action Values*. Work on the completion of take-home resources provided with the course, and actively participate in the Spark Plug group following conclusion of the course.

Eligibility:

All employees are eligible to apply, but size of the class is limited.

Participants in the Values Coach course on *The Twelve Core Action Values* are called Spark Plugs.

For an overview of the curriculum see: <http://www.joetye.com/twelve-core-action-values.html>.