20 Key Success Factors for Positive Culture Change

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

Executive Summary

Peter Drucker's famous aphorism that culture eats strategy for lunch has never been more true than it is today. A necessary corollary is that culture and strategy must work together to optimize organizational performance. This report summarizes the sea change in our understanding of culture in just the past few years and explains why a Culture of Ownership is superior to a culture of accountability. The heart of the report summarizes 20 key success factors that we have discovered are essential for positive culture change. These lessons have come from our own work with hundreds of organizations in healthcare and other industries, as well as from my research for 15 books and dozens of articles on corporate culture, values-based leadership, and personal development. I hope it's helpful and will look forward to hearing about what has worked best in your organization. Thanks!

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A Sea Change in How We Perceive Culture

There has been a monumental change in how we perceive the importance of culture in healthcare organizations over the past several years. Last year, the Institute for Healthcare Improvement published the white paper *IHI Framework for Improving Joy in Work* which said: "Joy in work – or the lack there of – not only impacts individual staff engagement and satisfaction, but also patient experience, quality of care, patient safety, and organizational performance." When I try to picture trying to tell any of the CEOs I worked for earlier in my career that we should make a top priority of promoting joy in the workplace, the imagined response I hear is that employees can find joy on their own time, but while they are on our payroll we need to hold them accountable for doing their jobs. But now IHI is telling us that creating joy is not just a frivolity, it is a leadership responsibility.

And earlier this year, *Fortune* magazine changed the criteria for making its 100 Best Places to Work (the gold standard of the many such "best places" rosters) from Pride, Camaraderie and Trust to these six: Values, Innovation, Financial Growth, Leadership Effectiveness, Maximizing Human Potential, and Trust. Here's my take on what that means in practical terms:

> **A great place to work is one where effective leaders maximize human potential by helping people live their values, creating a culture where trust and innovation can flourish, resulting in financial growth.**

There is also a generational element at work. In the *Forbes* article "How Millennials Are Reshaping What's Important In Corporate Culture" (June 20, 2017) Larry Alton wrote: "Millennials value company culture more than any other generation that's come before them." The 2018 edition of the annual Deloitte survey of millennials found that "young professionals are especially seeking help building softer skills like confidence, interpersonal skills and – particularly for Gen Z – ethics/integrity aptitude." Unfortunately, the survey also found that a majority of young people think that most organizations are not being responsive to their desires for a more positive and inclusive culture.

From a Culture of Accountability to a Culture of Ownership

The management buzzword of the 1990's was "empowerment," but you don't hear that word very much anymore. Now the predominant management catchword is "accountability." It's almost as if we tried empowerment but it didn't work, so now we are going to crack the whip and hold people's feet to the fire (the two most common metaphors for holding people accountable). Unfortunately, there are significant potential downsides to fostering a culture with an excessive focus on accountability. These include:

➢ The word "accountability" carries negative emotional baggage. If you say to someone that you are going to "hold them accountable," they are likely to interpret that to mean that you don't trust them to hold themselves accountable and that there will be painful consequences if they are found to be wanting.

➢ Accountability is actually a low bar for performance, because you can only hold people accountable for what is in their job description and what they have been assigned to do – not for going above and beyond (or failing to go above and beyond) those basic expectations.

➢ It takes more management time and energy to hold people accountable than it does to promote a Culture of Ownership; you don't have to hold people's feet to the fire when they are willing to walk across hot coals because they are inspired.

➢ The word accountable (ac-count-able) means able to be counted, but the most important elements of any culture cannot be counted or measured. The things that really matter – pride, loyalty, empathy, fellowship, enthusiasm, and trust – might be seen and felt, but they cannot be quantified.

➢ At the extreme, a culture of accountability can induce people to cheat to avoid the consequences of not hitting their targets. As Farson and Keyes state in their book *The Innovation Paradox*: "In the long run… accountability encourages a culture of evasion, denial, and finger pointing." From WorldCom and Enron to Wells Fargo and the Veterans Health Administration, we've seen how perverse incentives can be created by an excessive focus on holding people accountable for failure to achieve assigned goals.

In a Culture of Ownership, people are *emotionally positive*, refraining from negative attitudes and other toxic emotional behaviors. They are *self-empowered* and take initiative to solve problems rather than just complaining about them. They are *fully engaged* with their work and profession, their colleagues, and their organization's mission, vision, and core values. In such a culture, leaders can spend a lot less time and energy on trying to hold people accountable because they hold themselves to a higher standard. When people are willing to walk across hot coals on their own, you do not have to hold their feet to the fire.

Read about the three levels of accountability in my article An Ownership Culture in the American Hospital Association's H&HN publication.

The Gold Standard of Culture Change

Three key principles guide our work at Values Coach: 1) Because culture is shaped by the collective attitudes and behaviors of the people who work in an organization, culture does not change unless and until people change; 2) People will not make a fundamental personal change unless they are given new tools and strategies, and inspired by their own values to use them; and 3) Most people resist positive change because they are not clear about their values and thus don't acknowledge that they must change in order to be true to those values (which is why so many New Year's resolutions show up dead on arrival).

Fillmore County Hospital is a critical access hospital in Geneva, Nebraska. After implementing a Values and Culture Project with The Twelve Core Action Values, then-CEO Paul Utemark wrote: "I got a whole new team and didn't have to change the people because they changed themselves." I have come to see that as the gold standard of culture change. When a critical mass of people make the personal changes to be more emotionally positive, self empowered, and fully engaged, then culture changes in a positive and permanent way.

"I got a whole new team and didn't have to change the people because they changed themselves."

After Paul passed away, Chris Nichols became the new CEO. When he'd been on the job for several months, he wrote this in a hospital newsletter: "FCH will remain committed to The Twelve Core Values in the years to come. These values are visible on a daily basis in our hallways and observable in conversations with patients, families, and co-workers." *One hallmark of a powerful culture is that it is not dependent upon a single individual or job title, but is woven into the spiritual fabric of the organization, as it is at Fillmore County Hospital and many of the other organizations we have worked with.*

Midland Health in Midland, Texas is now in the fourth year of building a Culture of Ownership. COO/CNO Bob Dent – who is also 2018 President of the American Organization of Nurse Executives and my coauthor on several books – recently asked members of his leadership team for the one word they would use to describe their culture. As shown in this word cloud, the overwhelming choice was "ownership." It is also noteworthy that there was not one single negative word in the responses. This would not have been the case when we started the Values and Culture Project there in 2014. Once culture change momentum has been established, the most negative employees will either change their attitudes and embrace the change, or they will be asked to leave by their managers or be "voted off the island" by their peers.

Key Success Factors for Effective Culture Change

Values Coach has worked with hospitals and health systems of all sizes, from Alaska to Florida. Like every other company that provides coaching, consulting, and training services, we've had both out-of-the-park success stories and engagements that turned out to have just been another "program of the month." The following key success factors (KSF) are drawn from both categories of experience. These are roughly in order of priority though – with the non-negotiable exception of the first three, that can vary by organization.

Key Success Factor #1 – Executive Team Commitment

Sustained commitment of the executive team is the primary difference between real culture change and just another program of the month. Any "program" will run into some opposition at the outset and experience fading enthusiasm as time passes. Leadership must model the change, encourage and monitor engagement at all levels, be creative with new content, and celebrate small wins to assure that the change becomes part of the organization's cultural DNA.

Key Success Factor #2 – Key Role of the Middle Management Team

The single best predictor of how successful any culture change initiative will be is the enthusiasm (or lack thereof) of the middle management team. We always begin a Values and Culture Project with one or more leadership workshops, and early in the process conduct the 2-day Certified Values Coach Mentor course for the entire leadership team (supervisors and up) to assure that they appreciate how the program, especially The Twelve Core Action Values, can help them both personally and professionally.

Key Success Factor #3 – An Office of the CESP – Chief Executive Spark Plug

It is very important to have one executive level champion to be an advocate for the project (and when necessary to have a crucial conversation with anyone who is trying to undermine the project). That person must be supported by an executive assistant who is responsible for logistics, scheduling, and generally keeping the train on time and on the track. In our experience, this is rarely the CEO; most commonly it has been (in this order of occurrence) the chief nursing officer, senior HR executive, or individual responsible for culture and/or patient experience.

Key Success Factor #4 – Create a Cultural Blueprint for your Invisible Architecture™

At Values Coach we use a construction metaphor to create what we call The Blueprint Behind the Blueprint for the Invisible Architecture of an organization. In this construct, the foundation is core values, the superstructure is organizational culture, and the interior finish is workplace attitude. The challenge is to create a statement of core values that is authentic, not boilerplate, and that differentiates your organization from all the others that claim the same basic values (e.g. ICARE – integrity, compassion, accountability, respect, and excellence); to build a Culture of Ownership on that foundation that inspires commitment, engagement, passion, and pride (four of the eight essential characteristics described in the book *The Florence Prescription: From Accountability to Ownership*); and to define expectations for attitude and behaviors in the workplace – including your ZTBs (zero tolerance behaviors).

Key Success Factor #5 – Build your Culture of Ownership on a Foundation of Personal Values

The organizations where we have seen the most enduring success – including INSPIRED Award winners Midland Health, Fillmore County Hospital, and Grinnell Regional Medical Center – have also been the ones that most enthusiastically embraced The Twelve Core Action Values. Establishing a shared set of *personal* values inspires commitment to a higher standard for attitudes and behaviors in the workplace, and provides a common language for holding people to those expectations. Research by Kouzes and Posner (authors of *The Leadership Challenge*) shows that the more clear people are about their personal values, the more enthusiastically they will embrace the core values of the organization where they work. Through our course on The Twelve Core Action Values, we've often seen that helping someone be a better parent is the best way to encourage them to be a better caregiver; helping them manage their time more effectively is the best way to encourage them to be more productive on the job; and helping them to be a better person at home is the best way to help them be a better employee at work.

Key Success Factor #6 – Incorporate Personal Values into Operations

The hospitals referred to in KSF#5 have each taken their own steps to inculcate The Twelve Core Action Values into their cultural DNA. At Midland Health, The Twelve Core Action Values are ubiquitously visible in banners, posters, employee and patient booklets; and the course is a central element in the drive to make Midland the healthiest community in Texas; and a separate Culture of Ownership Classroom has been set up as one of many visible manifestations of the organization's commitment to values and culture. At Grinnell Regional Medical Center, The Twelve Core Action Values are incorporated into every job description and account for fifty percent of performance appraisal. And Fillmore County Hospital has adopted The Twelve Core Action Values as the organization's core values and included them in the hospital's performance scorecard.

Key Success Factor #7 – Assess, Don't Assume

The higher one's position on the organization chart, the rosier the glasses they tend to wear when making assumptions about their cultures (confirmed by research findings from the University of Iowa College of Public Health). Values Coach begins every Values and Culture Project with our validated VCI-17 Culture Assessment Survey. This gives our partner organization a unique window into how people perceive their culture and the quality of their relationships. It also allows us to compare their results with our data base, and identify problem areas and intervention strategies. Survey results hold a mirror up to the organization, ask the tough questions, and highlight potential action strategies. They also provide a baseline against which to measure future progress.

Key Success Factor #8 – Engage Key Constituencies Early in the Process

Identify those leaders, both formal and informal, who can put more wind into the sails (or conversely toss out an anchor) and engage them early on. Explain what you are doing, why you are doing it, and how it will benefit them. This includes key members of the board of directors, medical staff members, and union leaders if a unionized organization. We've also seen hospital volunteers provide a powerful shot of energy to a culture change initiative. The Culture of Ownership web page for Midland Health includes a video featuring several leaders of the medical staff speaking about how that culture benefits their patients and their practices.

Key Success Factor #9 – Embrace the Skeptics and Marginalize the Cynics

Skeptics are people who ask tough questions, but ask them in good faith. They genuinely want answers, and in our experience once they have answers – even if those answers are a variation of "we don't know but we think this is the right thing to do" – they often become your best supporters. Cynics, on the other hand, ask questions in bad faith. They want to see the project fail so that they can say, "see – I told you that wouldn't work." The leadership challenge here is to embrace and encourage the skeptics and to marginalize the cynics. Above all, do not allow the emotional vampires to sabotage the effort and deprive those who could benefit from the joy of participating in something positive and constructive.

Key Success Factor #10 – Unleash Creativity and Fun

One of the three core values at Southwest Airlines is Fun-LUVing Attitude. Southwest has more parties and celebrations than all other air carriers combined. It is also the most highly productive and consistently profitable of all air carriers. We believe that there is a causal relationship there, and strive to build fun into every Values and Culture Project. One of the ways we do that is with The Pickle Pledge and The Pickle Challenge (PicklePledge.com). It doesn't take much time to build a celebration into the daily staff huddle, as witnessed by the way the Environmental Services Department at Children's Hospital of New Orleans makes a party out of The Pickle Pledge, as you can see in this 60-second video clip. The Pickle Pledge helps people to be more aware of their own negative attitudes and the negativity of people around them (and we are all at least occasionally more negative than we want to believe) and gives us a lighthearted way to confront toxic emotional negativity. And The Pickle Challenge sparks the most incredible creativity as individual work units decorate pickle jars to collect deposits as people turn complaints into charitable contributions. To date, more than $80,000 has been raised for charitable causes while helping people be more positive and workplaces be more pleasant.

Several of our favorite decorated pickle jars for The Pickle Challenge for Civility

Key Success Factor #11 – Do Not Allow Emotional Vampires to Undermine the Project

The Pickle Pledge and The Pickle Challenge for Civility are a fun and lighthearted way to address one of the most daunting challenges in any organization: giving people the tools, skills, and confidence to confront toxic emotional negativity, in themselves and in others. In our book *Building a Culture of Ownership in Healthcare*, Bob Dent and I called the pervasive presence of such terms as bullying, incivility, disengagement, burnout, compassion fatigue, and even suicide in the healthcare literature "the healthcare crisis within." Toxic

emotional negativity is the emotional and spiritual equivalent of cigarette smoke in the atmosphere. You would never allow someone to pull your workplace environment by lighting a cigarette. You should be just as in tolerant toxic emotional negativity. In one department at Midland Memorial Hospital, several associates were sabotaging the daily staff huddle by reciting the Girl Scout Pledge instead of The Pickle Pledge. They were invited to change their attitude (two did) or to change their employer (one did).

Key Success Factor #12 – Don't Rely on Just "The Usual Suspects"

In our most successful Values and Culture Projects, much of the enthusiasm, creativity, and hard work has not come from "the usual suspects" who volunteer for everything, but rather from previously unrecognized leadership talent across the organization. One of the most visible manifestations of the Culture of Ownership at Midland Memorial Hospital, for example, is the 2,000 pound chainsaw carving have a happy pickle that stands at the employee entrance. This was created by Don Hill, a non-supervisory respiratory therapist, on his own time. Uncovering and empowering previously hidden leaders expands the cultural bandwidth of the organization because the hospital does not overload "the usual suspects" with even more work.

Key Success Factor #13 – Make it Inclusive and Non-Hierarchical

We often begin a Values-Based Culture Initiative by giving everyone a copy of the book *The Florence Prescription: From Accountability to Ownership* to create a shared set of cultural expectations. And I do mean *everyone*, including medical staff, environmental services, volunteers, and board members. We often find the highest levels of enthusiasm come from those groups who are most often not included leadership development activities, as with the Pickle Pledge celebration by the Environmental Services Department at Children's Hospital of New Orleans, mentioned above.

Key Success Factor #14 – Ask People for a Personal Commitment

By completing the 2-day course on The Twelve Core Action Values, the organization is asking associates to make a commitment to those personal values – from Authenticity to Leadership. And never underestimate the power of asking for small commitments. We often see a direct correlation between people signing The Florence Challenge Certificate of Commitment, wearing wristbands for The Self Empowerment Pledge, participating in The Pickle Challenge, and completing the course on The Twelve Core Action Values and the organization's long-term sustainment of the Culture of Ownership work.

Key Success Factor #15 – Keep it Visible

Keep it visible and tangible with refresher courses, buttons and wristbands, physical displays, daily huddles and the like. At Midland Memorial Hospital in Midland, Texas there is a separate Culture of Ownership Classroom, and one cannot walk very far without seeing visible references, beginning with the 2,000 pound chainsaw carving of a positive pickle at the employee entrance. The main courtyard features a custom fabricated art design in which hundreds of hospital associates have carved their name with which value or cornerstone of The Twelve Core Action Values that means most to them. Every month, 8-foot banners featuring one of The Twelve Core Action Values coupled with an operational expectation are placed

throughout the organization. A new booklet titled *True Health Begins with You: A Guide to Discovering Your Values and How they Impact Your Health* was published as part of Midland Health's goal of making Midland the healthiest community in Texas.

Scenes from the Culture of Ownership Classroom at Midland Memorial Hospital

Key Success Factor #16 – Start with your "Spark Plugs"

Start with a core group of your most passionate and enthusiastic "Spark Plugs," then keep growing the community. We prepare Certified Values Coach Trainers to team-teach the course on The Twelve Core Action Values, which most do perhaps once or twice per month, but their most important role is through the informal example they set of living their values every day. As Margret Wheatley put it in her book *Leadership and the New Science*, preach to the choir and then grow the choir.

Key Success Factor #17 – Employ the Power of Stories

Shared stories are one of the most powerful tools for shaping organizational culture. When people see someone that they work with use The Self Empowerment Pledge to lose weight, get out of debt, start graduate school, write a book, or even break a tenacious addiction to narcotics (a story recounted in *Chicken Soup for the Soul: Inspiration for Nurses*) it often inspires them to make a similar commitment. As these stories accumulate, they become traditions that are shared with new people who join the organization and help to shape and evolve the culture. Every year, Catholic Health Initiatives publishes Sacred Stories which recount how associates from across their system reflect CHI's values and culture in their interactions with patients and each other (click here to view the most recent edition). The challenge is often not that story-worthy things are not happening, often every day, but rather that we are moving so fast that we don't have time to capture them. Therefore, it is important to establish a mechanism to collect and publish those stories.

Key Success Factor #18 – Do not Allow Double Standards to Violate your Values

In his book *The Coming Jobs War*, Gallup CEO Jim Clifton wrote that a disengaged employee, especially a disengaged manager, is a quality defect. To look the other way at an emotional vampire because "she's been here a long time and that's just the way she is" or to tolerate a bullying physician because "he makes a lot of money for the hospital" is to foster a culture of optionality, not a Culture of Ownership. The acid test of an organization's commitment to its stated core values is whether or not its leadership is willing to terminate an associate who violates those values, even if there is short-term pain involved. Of course, as Stanford professor Robert Sutton documents in his book *The No Asshole Rule,* whenever leaders have the courage to terminate "high performers" who are also jerks, the performance of everyone else usually goes up more than enough to offset whatever might have been lost.

Key Success Factor #19 – Avoid Program of the Month Syndrome with Initiative Coherence

I can confidently say that your organization has more going on this year than it did last year, and confidently predict that it will have even more going on next year. Sometimes it feels like the organization is being overwhelmed with a kaleidoscope of programs and initiatives. One way to avoid "program of the month" confusion is to be explicit about how various projects and initiatives reinforce one another. When Midland Memorial Hospital implemented a new electronic health record, the leadership team was explicit about how its commitment to a Culture of Ownership meant that people should take ownership for implementation glitches and act in the spirit of Proceed Until Apprehended to resolve them quickly. The implementation was accomplished with minimal complications. As shown in the picture below, the hospital uses physical design to link its three core values, its commitment to a Culture of Ownership, and its celebration of the DAISY Award.

The INSPIRED Award for Values and Culture Excellence and the DAISY Award to honor extraordinary nurses both reflect the Midland Health Culture of Ownership

Key Success Factor #20 – Sustain Momentum with Urgency Plus Patience

Positive culture change requires incredible enthusiasm and a strong sense of urgency, otherwise it runs the risk of getting lost amid all the other priorities within the organization. But it also requires long-term commitment and patience because it takes time and sustained effort to transform the cultural DNA of an organization. This paradoxical blending of urgency plus patience is the key to sustaining momentum. That's one reason why it is so important to celebrate your successes – and good faith failures – along the way.

An investment in your people is the best investment in your organization

"The Twelve Core Action Values is like graduate school for the 7 Habits. This course is a great way to cultivate and nurture leadership talent at every level of your organization."

> *David G. Altman, Chief Operating Officer*
> *Center for Creative Leadership*

The Twelve Core Action Values is a unique train-the-trainer course that will transform your organization by helping your people make positive changes in their personal lives and professional careers. Over the past 20 years we have prepared nearly one-thousand Certified Values Coach Trainers and Mentors in more than 100 different organizations. Give us a call at **319-624-3889** to learn more about how we can help you build a Culture of Ownership on a Foundation of Values in your organization.