

Excerpt from book on corporate culture ghostwritten for executive of NYSE-listed company.

### ***Why work on culture?***

Culture, in its most rudimentary form, is the way people think and act. When we understand that daily experiences either create or validate a person's beliefs and thus how they act going forward, culture becomes central to every conversation regarding results.

It became clear that we had no hope of remaking Company X and achieving different results without changing our culture and shared beliefs. The company could not become a race car by slapping a sleek new chassis onto a sputtering engine. Everyone wanted Company X and its brands to be innovative, highly effective, guest-centered, financially strong and rewarding places to work, but the organization couldn't get there without drastic changes. Brand Z dizzying growth had shown that it was easy to manage during periods of success, but challenging times were the true test of an organization's ability to unite behind common goals. So any improvement achieved by quick fixes was bound to fade when the next crisis came along.

***Key thought:***  
***Culture in its most rudimentary form is the way people think and act. Daily experiences create beliefs and shape actions. Culture becomes central to results***

Changing the culture would prove to change everything.

### ***Engineering change***

There was a pivotal moment in late 2008: Jim as CEO and I as COO of Brand Z invited my co-author, Frank Brown then a consultant from Partners in Leadership, a firm specialized in

cultural change, to lunch. We talked about what wasn't working. Company X had gotten away from the principles that made it a great organization, and we talked about what it would take to get back to that point. We spent that lunch sketching out a strategy on how to proceed using some key cultural models. Frank, who joined Company X fulltime in 2013 as chief of peopleworks, helped us create an awareness around what needed to happen to get the results we wanted.

### ***A flip chart and key results***

From that lunch table we planned an agenda for the annual managers meeting in Dallas to lay the groundwork for what a shift in the culture would look like. We put a team together to lead the change. That group first paved the way with the leadership team and then rolled it out to the entire leadership community—1,500 people.

From the confusion over what the old culture actually stood for, we knew we had to crystallize our shared beliefs and pare them down to the memorable essentials. This meant defining the culture clearly enough that it could be conveyed simply and understood easily by everyone in the organization - in management and on the front lines, from head office to every restaurant.

Around the time Company X was crafting the turnaround plan, key managers gathered in a conference room to brainstorm the culture. Everyone was asked to put it into words, and all the descriptions were written on a flip chart. The views were so varied and numerous that as participants kept calling out ideas about 30 flip chart pages were filled with phrases, one attendee remembers.

“There were all sorts of different answers, and the bottom line was that having so many different ideas meant we didn't have any clear cultural beliefs. If everything is your culture, you don't have a culture at all,” Doug said. “People could say anything was part of the culture. ‘I'm living reason number 722 was on the list.’”

Leaders and managers were not accustomed to thinking about key results, which at the time consisted of 40 performance indicators from across the organization, so there was a lot of confusion about what to measure and to what objectives people were accountable.

***Key thought:***

***One of our basic principles is that leaders take the complex and make it simple. By focusing on four key results we did just that.***

Saying culture drives results sounds modest enough. Yet, many organizations, Company X included, overcomplicated the organization's results. In 2009 when we asked a central leadership team this question, "What are the key results," meaning where must we make an impact, we received much more than just a blank stare in return.

Over time we had made our results so complicated only a handful of people in the company could tell you what they were, and they didn't fully agree on the answer. The recommendation, which Doug Brooks is quoted as saying was one of the most impactful decisions we made as a company, was to focus on simple and significant results in four areas:

- Our Guest
- Our Team
- Our Sales
- Our Profit

We narrowed our focus to actions that would have produce results in these four key factors as a starting point for our culture of accountability, which we'll discuss in detail next. They provided us with a simple focus that can be communicated from the CEO to each hourly team member in the field.

***Key thought:***

***Focus on the big rocks first. If we prioritize chasing the little pebbles, we run out of time and resources to tackle our major goals.***

One of our basic principles is that leaders take the complex and make it simple. By focusing on four key results we did just that.

***Plan to Win***

We embarked on the Plan to Win in 2009. It was a holistic approach

addressing sales, profit, guests and our team to reignite Brand Z business through a series of strategies and investments designed to change our story.

The task felt overwhelming, and time and resources were finite. We had to get strategic and prioritize carefully. A concept that helped us distinguish what was truly important was management guru Stephen Covey's "big rocks" parable. When Covey would demonstrate the idea, he would take out a jar symbolizing the time available, a few big rocks representing important priorities and a bunch of small pebbles and sand representing low-priority tasks and objectives.

Pouring the pebbles into the jar first, he showed it was impossible to fit the big rocks in afterward. Then, Covey put the big rocks into the jar first, pouring the pebbles in afterward. The pebbles filled the cracks left between the big rocks, allowing the participant to fit everything in after all.

The illustration taught us that we had to focus on the big rocks in first to make significant progress in our Plan to Win. If we gave our attention first to chasing little pebbles, we would never have enough time or resources to attend to the big rocks.

#### 4. Enter the culture of accountability

## ***Oz Principle***

Figuring out what our big rocks were and how to tackle them required us to examine our shortcomings. One powerful cultural lever was instrumental in our transformation: a move to a culture of accountability. The co-founders of Partners in Leadership, Roger Connors and Tom Smith, encapsulated the culture into a management tool called the Oz Principle. Inspired by “The Wizard of Oz,” the principle helps people see how they use a sense of being victims to excuse ineffectiveness, rationalize poor performance or justify inaction – just as the famous

characters in L. Frank Baum’s story did -- Dorothy, the Tin Man, the Cowardly Lion and Scarecrow.

***Key thought:***

***Don’t get stuck on the yellow brick road; don’t blame others for your circumstances; don’t wait for wizards to wave their magic wands; and never expect all your problems to disappear.***

Through their journey down the yellow brick road, the characters think of themselves as incomplete on their own, victims of circumstances, who need to get to the Emerald City where the powerful wizard will grant them

what they need – courage, heart, wisdom and the means to succeed. They gradually learn that they possess the power within themselves to get the results they want.

People relate to the theme of a journey from ignorance to knowledge, from fear to courage, from paralysis to powerfulness, from victimization to accountability, because everyone has experienced personal journeys of transformation. Unfortunately, even the most ardent admirers of the story often fail to learn its simple lesson: Don’t get stuck on the yellow brick road; don’t blame others for your circumstances; don’t wait for wizards to wave their magic wands; and never expect all your problems to disappear. In today’s complex environment, the temptation to feel and act like victims has become so pervasive that it has created a very real crisis.

## ***The victim cycle***

This crisis manifests as team members ignoring or pretending not to know about their accountability, claiming it's not their job, ducking their responsibility, making excuses, professing they can't do what is needed or asking others to tell them what to do.

Some key stages of the victim cycle as taught us in The Oz Principle are:

- Ignore/Deny – People pretend not to know there is a problem, remain unaware of the problem or deny the problem altogether.
- It's not my job – At this stage, there is awareness that something needs to be done to achieve the result coupled with acute avoidance of getting involved.
- Finger pointing – People deny their own responsibility for poor results and seek to shift blame on others.
- Confusion – People cite confusion as a way of avoiding accountability. If they don't understand the problem or situation, they can't be expected to do anything about it.
- Cover your tail – People come up with elaborate stories about why they couldn't or shouldn't be blamed for something that might go wrong.
- Wait and See – People stall, choosing to wait and see if things will get better. This climate can only lead to worsening problems.

At Company X, the victim mentality was deeply rooted before the culture shift. When crisis struck, leaders were quick to blame outside factors such as the economy or competitors or others within the organization for poor decisions or failed execution. Finger pointing was the order of the day.

The Oz Principle steers teams and staff to ask constantly what they can do to achieve desired results. An attitude of accountability is at the core of any effort to deliver better outcomes for guests, empower people and get better performance. Taking responsibility for your role doesn't mean success is guaranteed, but it frees individuals and organizations from languishing in the victim cycle, weighed down by a sense of powerlessness.

## ***What is accountability?***

People generally feel that they intuitively know what taking accountability means, but most big ideas mean different things to different people. So it was important for Company X people to get on the same page. As formulated by the Oz Principle, accountability begins by clearly defining results.

From there, accountability is defined as a personal choice to rise above one's circumstances and demonstrate the ownership necessary for achieving desired results. "If you aren't actively looking to solve a problems, the reasons that you give for poor performance are mostly just excuses. You have to get into a mindset that is focused on what you can control," Webster said.

This manifests as people continually asking themselves, "What else can I do to rise above my circumstances and achieve the results I desire?"

This approach focuses on current and future efforts rather than reactive moves and historical explanations.

***Key thought:***  
***Accountability is defined as a personal choice to rise above one's circumstances.***

This Oz Principle definition of accountability emphasizes that the concept works best when people share ownership of circumstances and results. Old school definitions of accountability had led people to assign individual responsibility without recognizing the shared accountability that typifies most organizational behavior.

## ***The line***

A concept that became central to our new way of thinking and acting was "the line." Specifically we are referring to the thin line that divides success from failure, exemplary companies from

ordinary ones and powerful brands from the average. It's important to recognize the attitudes and behaviors that push organizations "Above the Line®" or "Below the Line®."

Above the Line®, as you probably guessed, is where accountability lies. Winners are committed and empowered by hard work, ownership, problem solving and determination. Below the Line®, losers spin stories about why things didn't work out, blame others and languish in a sense of helplessness.

For teams that are Below the Line®, they are often unaware of reality and things get worse instead of better without anyone truly knowing why. A common reaction is to ignore or pretend not to see our role in the problems, to deny responsibility or to make excuses. The outcome is poor results, failed initiatives and miserable morale.

While it is not bad to go BTL we have learned that it is completely ineffective to stay there for any period of time. Often, we encourage team members to actively go BTL in a controlled environment knowing that we have trained our leaders to L.I.F.T® each other ATL and back to moving forward.

An organization that has moved Above the Line® is propelled by people who continually ask

themselves the basic question of accountability: "What can I do to achieve the desired result?" They see reality, own their circumstances, work hard to find solutions and then act decisively.

***Key thought:***

***In an organization Above the Line, people ask themselves: "What can I do to achieve the desired result?"***

5. See it, own it

What does accountability look like in action? There are some key behaviors that mark teams and individuals who are living a Culture of Accountability. The Steps to Accountability as presented in The Oz Principle are broken down as:

- See it ® – You seek the perspectives of others, you communicate openly, ask for and offer feedback and hear the hard things that allow you to see reality as it is.
- Own it ® – You align yourself with the organization’s mission and priorities, and you accept them as your own.
- Solve It ® – You constantly ask, “What else can I do?” to achieve results and overcome obstacles.
- Do It ® – You do what you say you will do, focusing on top priorities, avoiding blaming others and creating a climate of trust.

Partners In Leadership offers these examples of accountable attitudes and behaviors:

- You solicit candid feedback from everyone about your own performance.
- You never want anyone, including yourself, to hide the truth from you.
- You readily acknowledge reality including problems and challenges.
- You don’t waste time or energy on things you cannot control or influence.
- You always commit yourself 100% to what you are doing, and if your commitment begins to fade, you strive to rekindle it.
- You own your circumstances and results, even when they fall short of your desires.
- You recognize when you slip back into old patterns and act to avoid the traps of the victim cycle.
- You relish the opportunity to make things happen each and every day.
- You constantly ask yourself, “What else can I do to rise above my circumstances and get the results I want?”

## ***We aren't in Kansas anymore***

Getting real about accountability required leaders at Company X to convince team members that they held themselves accountable first and foremost. The notion of accountability was for everyone, starting at the top. "We had no credibility," Doug said. "But the culture of accountability gave us a common language."

Company X like many companies had fallen into a pattern of embracing new management fads in "book-of-the-month-club" approach. With each new book that was introduced into our organization came reinforcement of the belief that "this too will pass." We remember in early 2010 hearing the comment, "This accountability stuff is just the flavor of the month, just wait until leadership reads another book."

One of the first signs that something was really different with the culture of accountability was when leadership apologized for the Menu Revolution disaster, something staff had never witnessed before. In a five-minute video, Jim and Jane owned the problem and promised change. Employees were shocked. "He said we are going to be more diligent. We will listen to you. People thought, 'Wow! They actually said they were sorry,'" Webster recalls. "It gave the new culture a real boost."

*Key thought:*

***Learning from failure is a sign of strength.  
Organizations that do a better job of learning  
from their screw-ups are ultimately winners.***

## ***What accountability isn't***

We had to consistently reinforce key accountability principles because sometimes misunderstandings would occur. For example, some people felt that disagreeing meant an individual was not being accountable. It was important for us to make clear that a person who disagrees but is taking ownership and is highly involved with the group effort is demonstrating

Above the Line® behavior. Disagreeing in and of itself is not Below the Line®, but being uninvolved is.

Similarly, being accountable does not guarantee success, and just because you may have met failure does not mean you are not displaying accountability. Learning from both success and failure is a best practice. Mistakes and failures are a key part of taking necessary risks, and truly learning from failure is sign of strength. Applying the lessons you learn will help you reach your objectives. Organizations that do a better job of learning from their screw-ups are ultimately winners.

### ***C1 becomes C2***

To drive home the transformation that we were undertaking, Company X reframed ingrained perceptions about how things worked at the company using a model called C1 to C2, akin to the before vs after photos in those makeover contests. C1 (C stands for Culture) represented the starting point for the culture and C2 was where we wanted it to go. This exercise required leaders to articulate a clear vision of what we wanted, and it moved the focus from what went wrong in the past toward the future and how it would be different.

So, for example, a C1 belief was that individual feedback wasn't valued; no one in leadership cared to hear it. And in fact, people could even suffer negative consequences if they offered honest feedback. The C2 became "Feedback is priceless." There are other core attributes of C2 and we'll get into detail a little later.

## 6. Building a pyramid

In our transformation, we made extensive use of a model known as The Results Pyramid<sup>®</sup> to help us visualize how a strong culture is built. In traditional management and organization techniques, change efforts have focused on what people need to do differently, but the Results Pyramid brings in the important element of thinking differently.

The pyramid visually captures how our experiences are the foundation of everything. Our beliefs and in turn our actions – which lead to results – are shaped by our direct experiences. So Company X leaders realized we had to change the culture that our teams experienced. By doing so, we would be able to root our new beliefs and behavior patterns much more strongly.

This enabled the culture shift to have a bigger and more enduring impact. While short-term change initiatives usually require teams to impose a new externally derived mindset, our power shift originated in experiences, which speak much more tangibly and powerfully to people. Those experiences of our culture work in tandem with beliefs and action to produce results.

Specifically, experiences are at the base of The Results Pyramid<sup>®</sup> and they foster beliefs. Beliefs shape our actions, and actions produce results. These taken collectively comprise our culture, so The Results Pyramid helped us keep clear focus on how culture drives results.