

<H1>INTRODUCTION: CHAPTER TITLE

[start quote]

“If you want to build a ship, don’t drum up the men to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea.” — Antoine de Saint-Exupéry

[end quote]

Sex in stairwells¹, absentee management², outright racism³. The stream of reputation-killing misbehavior continues to dominate news feeds. Reports like these are finally turning more than stomachs as business leaders realize the new truth of twenty first century capitalism: ignore company culture at your own risk.

Mitigating risk is far from the only reason to embrace culture as a business tool. Some of today’s best performing companies regularly featured on Fortune’s annual list of the 100 Best Companies to Work For⁴ point to culture as a major part of their success. Intuit, Autodesk, and Adobe regularly credit culture for inspiring their steady tech stock climbs.

But wait, there’s more. Culture can reverse trends in low-morale, low-satisfaction industries like it has done for T-Mobile, Delta, and Kimpton Hotels & Restaurants. Working in finance doesn’t have to be soul-crushing if

¹ <http://www.refinery29.com/2016/02/103896/zenefits-sex-in-stairwells>

² <https://www.lifehacker.com.au/2016/02/inside-githubs-culture-war-thats-ripping-the-us2-billion-startup-apart/>

³ <https://gizmodo.com/mark-zuckerberg-asks-racist-facebook-employees-to-stop-1761272768>

⁴ <https://www.greatplacetowork.com/best-workplaces/100-best/2017>

there's a great work life like ones at USAA, and Capital One. Even selling commodity goods can be a winning strategy with culture-driven incredible customer service; just look at The Container Store's premium pricing, and Build-A-Bear Workshop's plush profits.

Even outside of being a great place to work, the signs that prove investing in people brings big benefit to the bottom line are piling up. I was fortunate enough to be at a conference where Maia Josebachvili, a tech executive we'll hear more from later in the book, gave a riveting talk on life time employee value. Using a financial model, she demonstrates how even small gains in on-boarding speed, increased productivity, and length of tenure can drastically improve a company's returns on their investment in people⁵.

It's pretty clear now, culture can be a critical liability that derails business in a single tweet, or a valuable asset that consistently lifts employees, customers, and companies. But what is it?

<H2>More Than Ping-Pong and Pizza

You know it when you see it. That's what most people might say about the culture at their company. What they really mean is you know when you see it's symptoms. Free lunches and casual Fridays. Hiring practices, and employee reviews. How emails are written, and work spaces designed.

Defining culture as events, moments, and practices gives you a sense of what

⁵ <https://medium.com/@MaiaJo/how-to-understand-the-roi-of-investing-in-people-b0049e006a84>

it is, but like describing an outfit to tell your mom about the person you are dating, it falls woefully short of getting to the heart.

Company culture effects so many things which makes it notoriously difficult to define. And as its importance has grown so have versions to consider. The layman's definition is usually something like "How we do things around here" or "our behaviors and norms". Management guru Ed Schein sounds like Darwin when he describes it as "the behaviors that best adapt to challenges". I see it as the cause and effect of every choice we make.

They all have their strengths. The laymen's version is easy to understand, Schein's view is interesting, I attempt to be holistic. Take your pick. Attempting to pin down one is like trying to look at the one of those floating dots on the backs of your eyelids; the more you look directly at it, the more it disappears. Unfortunately (or fortunately), whichever definition you choose only leads to more questions.

There's a wide gap between knowing what it is, and what to do about it. To wield culture as a business tool, we need to understand not just what culture is, but how it works, and what we can do to influence it. We'll get to those shortly but first let's answer why.

<H2>The Business World Turned Upside Down

A lot of the people I meet think culture as a business topic came out of nowhere. It didn't. In the 90's and 00's leaders discussed the idea, it was just rare. Back then culture change, along with large-scale initiatives like corporate reorgs and strategic realignments, were infrequent events. Now hardly a year

goes by when a massive internal shift doesn't occur. Culture change is no longer a one-time event, it's a constant. Or at least it should be. The reason culture as a term has become so prevalent online and in boardrooms is V-U-C-A.

In the years after the Cold War, the world began to change as communication technology became more sophisticated and broadly available—the internet most importantly. The world wide web changed not only how the actors behaved, but the military had to rethink the entire theater of war. Generals realized that to keep the advantage in any modern conflict, negotiation, or nation-building, decisions had to be made in the moment, not at headquarters. The command-and-control style of leadership that was the strength of the American military was no longer effective as many long-held assumptions crumbled. Nations no longer had to act as one, enemies may not be found on a map, and military targets might overlap with civilians. Military commanders describe this new reality as VUCA: volatile, uncertain, complex, and ambiguous⁶.

It doesn't take a lot of imagination to see that VUCA describes the battlefield of business, too. A quick survey of the past twenty years reveals this new reality, and it is what our collective anxiety has been telling us. Start-ups rise and fall in a season, and new ideas upend entire industries in the time it takes to tap "I agree" and allow the latest app to access your contacts. The

⁶ Stiehm, Judith Hicks and Nicholas W. Townsend (2002). [*The U.S. Army War College: Military Education in a Democracy*](#). Temple University Press. p. 6. [ISBN 1-56639-960-2](#).

world is speeding up, fast. But speed is just the beginning of the new physics in which we live.

<H2>Loyalty Is Dead

In hotbeds of modern capitalism along the East and West coasts of North America, one of the most shocking signs of change can be found in the plight of the incredible shrinking tenure. In the 1960's and 70's, lifetime employment was the norm, and corporate warriors in the 80's and 90's dedicated decades to a single company. Now employees stick around for an average of 18 months. 24 tops. Corporate loyalty seems like a quaint idea great-grandfather once believed in.

Whether it's a message from a headhunter on LinkedIn, or dissatisfaction with the job itself, it's only a matter of time before the temptation to jump ship becomes too much. In the world of tech, there are too many companies willing to pay too much to fill too many roles. For better or worse, it's reality.

If tech behemoths throwing cash and bennies at your employees isn't scary enough, add to leadership anxiety the rise of the free-agent nation. Job sites like UpWork make remote contract work easy to find, on-demand employment like TaskRabbit and Instacart provide flexibility and hourly work with the touch of a button, and emerging infrastructure like 5G will make it even easier to work from anywhere and for anyone.

With tech slurping up talent from across regions and the world, what's to keep butts in seats, if heads and hearts can be elsewhere? Even economies

of middle America aren't protected from this brave new world as this hurricane of change will soon impact all cities and economies. Consider yourself warned.

<H2>The New Rules

Before software began to eat the world, before the great speed-up and before remote work was the norm, business was easier to predict. Managers kept employees happy, productivity high, and turnover low by simply paying more at every annual review and promising a title bump if only he or she worked harder. Back then, the rule of the ladder was simple: keep climbing straight up no matter what gets in the way. Change of career, start over. Have a baby, try again. Spend too much time with family, do not pass go. This linear brute force approach was true in the larger market, too.

In the old days, the equation was simple: advertise more, charge more, sell more, win. An organization's mantra was beat the competition by any means necessary. And it worked. After all, empires were built on over-priced printer ink.

Fast forward to today. Hyper connectivity and hyper activity means an unhappy customer armed with only a YouTube channel and a respectable following can flap her wings in China and cause a PR hurricane that disrupts the course of a business in Chicago. In this climate, culture is the only sustainable competitive advantage businesses have. And purposefully

designing it is the only way to survive the knock-about, drag-down, relentless world of business. From here on out culture rules, and it is everyone's job.

Regardless if your title is CEO, senior manager, associate, or contractor, every choice you make is the cause and effect of the organization's culture. Mastery will require not just assigning a person responsible for the care and upkeep of culture, but a team dedicated to the task of its support and implementation. Like finance and operations, culture isn't a problem to be solved, but a business function to be supported, evaluated, and applied.

Firms can no longer solely rely on the competitive advantages that are de rigeur in business school. Suing to protect intellectual property? By the time you lawyer up the next algorithm is already doing it better. Business has changed so radically, even the war for best and brightest isn't one you can win—at least not with dollars and donuts.

<H2>Cash ≠ Culture

Go ahead and skip this section if your company's stock is trading above \$500. If that's not you, I'm guessing you can't afford to hire Stanford's most recent magna cum laude. In high-demand, low-unemployment economies like Silicon Valley, and more broadly the connected world, the tendency has been to throw money at culture problems like talent acquisition and retention. Unfortunately, even free food, fancy buildings, and sky-high salaries no longer can slow turnover. Seasoned executives who have gotten used to these bribes working are worried.

Purveyor of corporate reputation, Glass Door, reports that culture and leadership are three times more important to employees than salary, and Deloitte⁷ has shown that over 50% of business leaders rate culture, engagement, and retention an urgent issue.

As more work becomes knowledge work, and digital tools enable anyone with a laptop to earn from anywhere, the question every business leader has to ask is “why us?”. It sounds like an unanswerable lament, but it’s a very practical query. Top-tier organizations, and those that want to be, better have a compelling answer to why anyone would choose to work with them for more than a season.

<H2>A Sign of The Times

A 2017 HBR article⁸ cites a global survey of factors that contribute to the failure of senior executives who move into new roles. The leading culprit by far is “Organizational culture and politics, not lack of competence or managerial skill.” This study is emblematic of the change business is facing.

As corporate lifecycles and markets accelerate, leaders must grapple with how to create an ecosystem of intrinsically motivated employees, who work together for the benefit of the company, their team, and each other. Business leaders now know that they need an outstanding company culture to find, keep, and engage the best employees. What they don’t know is how.

⁷ <https://www2.deloitte.com/us/en/pages/human-capital/articles/introduction-human-capital-trends.html>

⁸ <https://hbr.org/2017/05/onboarding-isnt-enough>

Great Mondays provides a framework of six components for those who want to create a sustainable competitive advantage that will equip start-up founders, enterprise managers, and chief executives alike with the tools to address this seismic shift in business. Consider this a guide book to the system that underlies the single greatest business advantage to come along since the computer. These tools can be implemented independently to move the culture needle, but together they create the control panel for designing and managing the right culture for their organization—one where worker, customer, and company help one another achieve greater success than they could alone. A culture that will propel each toward, and maybe even beyond, their purpose.

<H2>The Six Components of Company Culture

What will it take to be a place people not only want to work, but love to work? A persistent and consistent commitment to designing culture.

Persistent because culture is a core business capability. Don't think of it as this year's priority; it will certainly be usurped by the next shiny business imperative that comes along. **Consistent** because the best solutions come from constraints. Design is messy. Imagining, creating, and implementing something new is hard, particularly in business. (Just ask any executive who attempted to build an innovation team.) But by having a system in which to work, the tasks become much more understandable. And do-able.

The six-part framework in this book can enable leaders at all levels in all types of organizations to imagine, create, and implement a work-life that supports employees, customers, and business. It is a process that builds on its

own momentum to become a self-reinforcing system. An upward cycle that will draw in the people who want to help an organization reach its purpose.

The first three components are about creating the vision for the culture, while the second three are about bringing the culture to life. Together all six create a system for taking an active role in the outcome of how people feel and are engaged in the organization. A system for designing a culture employees love.

<H3> > Purpose > Values > Behaviors >

When looking for work, millennials, and if we're being honest all of us, want more than a job—we want to contribute to something bigger than ourselves. It's the premise religion has been using to great effect for millennia. Unless a company can identify and articulate why it is in business beyond making money, its purpose, the talented people who could have helped take that team up a notch, will seek the next level somewhere else. This is the first component of company culture.

Values are behavioral guideposts that establish how to act on the way to purpose. The second component of culture should come to life with every decision. A product lead should reflect on how they inform a new feature. A line manager needs to mentor with values in mind. And head of people ops needs to not only have her team look for value fit when hiring but consider how the entire interview experience reflects them as well. Everyone across the organization needs to know what the firm's values are and how they inform that person's responsibilities.

Behavior is the third component. Imagine it as the path from where you are today to purpose, where you are headed, and guided by the guard rails of your values. Behaviors set precedents, ensuring each person understands what is expected when they make choices at work. Together, the first three components provide the trajectory for talent to make better decisions with less oversight. Culture becomes a tool that enables macro- (not micro) management.

<H3> > Recognition > Rituals > Cues >

The fourth component recognition is not new, but no less important. When an individual or team can see that the result of their effort is appreciated and how it's contributed to a larger goal, they feel satisfied, and perhaps even motivated to do it again, better. On the flip side, is there anything more frustrating than putting in the time on a project and not see a result? It's not long until those disheartening "why did I work so hard on that?" sentiments start to flood in.

Not only does engagement suffer from insufficient or ineffective recognition, but it can be a drag on resources and momentum in the form of replacement cost. Companies with high rates of employee recognition have 31% lower voluntary turnover than companies with poor recognition cultures⁹. Don't be misled, though; coffee cards and plaques alone won't work. There are many opportunities to recognize, and many ways to do it.

⁹ <http://blog.berstein.com/berstein-launches-new-recognition-research-a-hidden-secret-to-talent-management/>

Relationships are the synapses of culture; if they aren't solid and plentiful behaviors begin to diverge between departments, offices, and roles. Rituals, the fourth component, provide ways for co-workers to build and strengthen relationships at work by inspiring connections across physical and virtual boundaries. Gallup has demonstrated that those who have a best work friend are seven times more likely to stay longer than those without. Not that everyone needs a best friend in the cube next door, but the statistic shows the power of relationships. Weekly coffee dates, monthly lunch and learns, and annual retreats are just some of the rituals that build and strengthen relationships.

The final component is cues. These are the verbal and behavioral reminders of the organization's ideal future. The most common example is the mission statement on the wall. This and other tools regularly elevate long-term thinking so that the day-to-day of work doesn't obscure the why of work. Cues are the connection between tactics and strategy—the end and the beginning of a holistic system that turns work into meaning and hours into purpose.