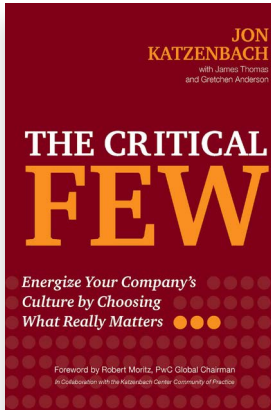


EXECUTIVE BOOK SUMMARIES

convenenow.com/executive-summaries



ABOUT THE AUTHORS

**Jon Katzenbach,
James Thomas, and Gretchen
Andersson**

Jon Katzenbach, James Thomas, and Gretchen Andersson are leaders at the Katzenbach Center, focusing on culture and leadership at PwC's Strategy&.

The Critical Few

THE SUMMARY

Berrett-Koehler Publishers 2018

Prologue

This book is the product of five decades spent writing, talking, obsessing, and most of all doing *real work* with clients and colleagues related to the topic of organizational culture.

Every industry, every company or global institution, has its own unique cultural situation, but all organizations have one thing in common. Whenever they summon the collective will to commit to meaningful change, the success or failure of this effort depends on whether and how they choose to engage their organizational culture. Increasingly, “committing to change” is not a one-time occasion or event but a constant challenge of our twenty-first century management.

Eighty percent of respondents to our Katzenbach Center global survey on culture believe that their organization must evolve to succeed, grow, and retain the best people, and every client we visit talks about “the constancy of change” and “change fatigue.” So the question of just how to guide and catalyze this constant evolution really is the problem that every leader needs to solve.

If you are a leader at any level and you see an opportunity to move your business in a new direction, you will be far more successful if you engage your culture in your effort. Conversely, if you ignore your culture or presume that it will resist you, you will be far less likely to achieve your goals.

The Critical Few

When there is a big change to make, a change of any type, powerful emotional forces in the organizational culture seem, at first blush, to resist it. Under the surface, however *other* emotional forces are also brewing and multiplying. And these forces are potential sources of catalytic strength. The best leaders succeed by looking past that first inertia or resistance and tapping those sources of strength, as well as resisting the urge to drown simple emotional truths in rational argument and theoretical complexity. This, in a nutshell, is the fundamental lesson of this book.

1. Why Aligning Culture Matters

Cultures are important and powerful because they determine what your company is capable of doing. An organizational culture is a collection of deeply held attitudes, entrenched habits, repeated behaviors, latent emotions, and collective perceptions of the world.

Culture is the shared set of assumptions we all bring when we work together—our unspoken expectations of one another. Do people in your company start meetings on time, or is it okay to be a few minutes late? Would eyebrows lift if someone in the room opened and ate a bag of chips, talked openly about a personal situation, or answered emails on a smart phone while listening to the conversation? Does the company have shared stories that “everybody knows,” even shared jokes that would make sense to others who hadn’t ever worked there?

These and hundreds of other daily choices, actions, and occurrences are visible examples of behaviors that constitute the fabric of shared culture. This amalgam builds up over time, influenced and shaped by each individual. Leaders may be in a natural position to have greater impact, but people at all levels are part of the fabric. People in organizations naturally influence and are influenced by those around them; their attitudes, feelings, behaviors, and perceptions come to echo one another, to have a “family resemblance.” The patterns of these interactions take on a presence that is greater than the behavior of any single individual. Everything coalesces into an informal but broad-based and well-established sense of what is appropriate and what is not “how we do things around here”.

The Katzenbach Center conducts a broad global survey on culture and change, with responses from more than two thousand participants. Repeating this survey allows us to track how ideas evolve over time. Year after year, the survey demonstrates that leaders at all levels view culture, strategy, and operating model as interdependent. In fact, most respondents even assert that culture is *more* important to the success of their enterprise than the other two. Significantly, each time we run this survey, the percentage of respondents who assert this increases. The fact that culture determines an enterprise’s success is an idea whose time has come.

The driving forces of any cultural situation are emotional rather than rational. If you are truly interested in having your company transform—if you genuinely want a high-performance organization with a broad cadre of people committed to the success of the enterprise—then you

The Critical Few

need to become conversant with the emotions, behaviors, and deep-seated attitudes that exist in your company. You need to know what employees feel strongly about, both positively and negatively.

We call this knowledge “cultural insight,” which is the clarity that allows you to truly see what motivates your people. Then, with this knowledge fully in your grasp, you can move to what we call “cultural action,” targeted interventions that influence how people behave from day to day. These actions are what can influence the whole climate of how employees behave, think, and feel, bringing it into dynamic coherence with the company’s strategic aspirations. To put this simply, first you need to understand your culture; then you can work within it. This is how to bring out the best in your organization.

Fortunately, this is easier to do than it might seem and the payoff is immense. To do this, you need to find ways to identify and then capitalize on existing positive emotional elements embedded in that culture that are overlooked or under-utilized, which can then help you accomplish a state of alignment between how people behave and feel and what makes the company successful. We call this “cultural coherence.”

Explaining how to achieve this is the purpose of this book. It is a step-by-step guide to harnessing the critical few elements that will help align your culture—its on-paper, formal and elusive emotional, informal elements—and put it to work.

If you work in any large or well-established organization, you already know how seemingly impassable an entrenched, repeating set of behaviors can become. A full quarter of our survey respondents reported that a cultural effort initiated at their organization had resulted in no visible results.

It takes persistence and attention to shift those habits, just as it does for personal habits like smoking and overeating. People don’t change their habits quickly or easily, even when they have excellent reasons to do so. But habits can be changed, and cultures do evolve and this can be guided by you.

2. A Critical Few Traits

Traits are at the heart of any organization. They are the essential characteristics that form the scaffolding for how any group of people thinks, feels, and behaves. They are stable, prominent qualities that are shared across a company.

For any leader who seeks to understand a business’s cultural challenges and how it operates, it’s important to start by surfacing and articulating these critical few traits. The process of doing so includes the diagnosis, the self-reflection, and the narrowing down. It is a crucial first step to both evolving and aligning an organization’s cultural influence on how people behave to get things done emotionally as well as rationally in any organization.

The Critical Few

Why do the traits matter? Organizations can change (or, rather, evolve) but only if that change is grounded in a solid sense of the steady state of that organization. When organization-wide attempts at changing culture fall short, it is due to leaders skipping the “traits” step or refusing to surface, articulate, and commit to working with their organization’s core differentiating qualities. It is a result of jumping to solutions without pausing for self-reflection and diagnosis.

Leaders must begin with a solid understanding of where they are today, what “family resemblance” exists across that company. Then and only then is it possible to focus on behaviors that bring out the best, most useful aspects of these core qualities and to encourage more of them, every day.

In our work with organizations on culture, we strive to help people see their organization’s essential traits as neutral (which does not mean they are bland and nondescript). A trait’s neutrality means that it has positive and negative repercussions.

Traits also have an emotional component. When we work with organizations to deduce and define their core traits, this process always involves working through strong feelings that people have about the institution that they are part of, about how it supports them and what it feels like when it stands in their way. Getting to a neutral, clear-eyed diagnostic means working through a lot of emotional nuances.

You won’t be able to arrive at an accurate, emotionally resonant group of traits by asking only a few people. You’ll want to engage groups of people at different levels across the organization in structured interviews and focus groups designed to surface their feelings about your organization’s culture.

Here’s a list of twelve common traits from the many that we’ve collected through our decades of research and client work. Don’t be constrained by this list as it’s provided just to give you ideas:

Consensus driven. Caring. Hierarchical. Individualistic. Relationship focused. Paternalistic. Cautious. “Above and beyond.” Process focused. Opportunistic. Optimistic. Egalitarian.

At a high level in the organization, the best approach to surfacing good data is to avoid direct questions, such as, “What traits are important in our culture?” Instead, get people to tell stories about what’s important to them. Ask what they love about coming to work and what they are proud of regarding the way they work together, decide, and motivate. Also ask people what frustrates them at work. Focus on qualities and patterns of behavior that are unique to the organization.

The goal of this detective work is to generate a list of cultural traits that is unique to the organization and to understand the positives and negatives associated with these traits. You can think of a company’s traits as a list of neutral descriptors, with positive manifestations (or sources of strength) on one side and negative manifestations (or challenges and barriers) on the other.

The Critical Few

Traits describe, with emotional resonance, “who we are” on our best days and on our worst. Traits should reflect your company’s essential nature, resonate across the enterprise, trigger a positive emotional response, and support your company’s cause.

After you develop a “long list” of traits, select three to five key traits that best articulate your company’s current cultural situation. Choose carefully, because the traits will be a touchstone in the process of evolving your culture.

Every great company culture is based, in part, on intrinsic attraction and emotional commitment to important aspects of the company. People want to feel rewarded and recognized. They want to feel the pleasure of being part of a team. They want to learn. They want to work with others who are capable and committed. They want to be part of a culture that fosters all these qualities. They are ready to experience feelings of pride, belonging, adventure, achievement, and other personal benefits of accomplishment.

3. A Critical Few Behaviors

We believe that there are specific ways to intervene in corporate cultures by taking tangible steps that not only accelerate near-term business results but also help support real, lasting culture evolution. It is important to recognize that lasting culture evolution is slow and steady at best.

However, it is also important to note that successful, long-term organizational change efforts include simple, clear changes in specific behaviors. The more these changes become habitual with respect to *keystone habits*, the better. A new practice, day by day, can become habitual, rewarding, and socially encouraged instead of labored, sporadic, and discouraging. (Richard Pascale: “People are much more likely to act their way into a new way of thinking than to think their way into a new way of acting.”)

The idea that changing behaviors, rather than mindsets, is the most practical way to intervene in an organization’s culture is at the heart of the critical few approach. A keystone habit is “a pattern that has the power to start a chain reaction.” In other words, if you want to change the way people think, you don’t start with or rely primarily on rational argument. You change what they do, even if it doesn’t come naturally to them at first.

Over time, as the new behavior becomes a pattern, they will likely change how they feel about doing it. They will see rewards or results of some kind, and those generate positive emotions; those emotions then become associated with the action, encouraging it to be repeated.

Effective behaviors for your company should harness existing sources of pride or emotional energy to drive intrinsic motivation toward your aspirations, they should address barriers that get in the way of realizing your aspirations, and they should encourage the replication of actions that enable your goals.

The Critical Few

The good news is that certain behaviors are right for *your* company *right now*, and if you understand your culture traits, you are likely to uncover them. A long list of ten or fifteen behaviors will emerge through the process of understanding your company's culture traits. Focus on identifying the positive behaviors that can move your company forward. After you've developed a long list of behaviors you'd like to see in your company, then from these select your critical few.

Why the emphasis on just "a few"? How will you know that you've chosen the right behaviors? The first question is easy to answer by realizing you need somewhere to begin. Changing everything at once is impossible. Focusing on just a few behaviors allows for consistency and coherence.

The second question is also easy to answer. The process of deciding which of the possible behaviors to prioritize is, in and of itself, a form of intervention. By deciding and committing to these behaviors together, you and your colleagues are taking a big step toward making your culture stronger and more coherent.

In conversations with leadership teams about behaviors, one of the most powerful moments usually occurs when one leader turns to another and says, "What will you do differently today?" The best leaders demonstrate the selected behaviors every day and at every opportunity. When the company leadership steps up and walks the talk, people take notice and then take action.

All of the organization's members should be expected to embed behaviors into their daily work, but those seen as leaders have both an opportunity and an imperative to do so in a way that catches people's attention and sends a strong message that things are changing around the workplace.

A symbolic act is a deliberate, purposeful action taken by the leadership that sends a strong archetypal message. What's important about these symbolic acts is that they are explicitly designed and executed in a way that sends a message coherent with the overall culture evolution. For example, in one CEO's early days at the helm of a prominent technology company, he was lauded in the press for tearing down the fence around executive parking and taking an annual salary of \$1. These were symbolic acts, to be sure, but notable as demonstrations of humility.

Core to symbolic acts is their element of repetition; leaders do not act just once because by doing these things repeatedly over time, a shift in behaviors was encouraged. This will have a notable impact on the people in the organizations in which they serve as they catalyze and deepen the emotional commitment to both the organization overall and to the leader as an individual.

This kind of emotional commitment, over time, helps each person take similar chances, to act and behave in new ways that might feel unnatural at first but ultimately become rewarding and self-reinforcing. When people feel an emotional as well as rational alignment between their company's identity and purpose and their own individual behaviors, they feel connected; when that sense of connection is attached to the organization's ability to reach its goals, the organization has a culture that is working for and supporting its purpose.

The Critical Few

4. A Few Authentic Informal Leaders (AIL's)

Every organization has individuals within it whose social capital and emotional intuition set them apart from their peers. Furthermore, these special individuals can play a powerful role in driving positive change. When organizations are undergoing major challenges, such as strategic or operational transformation, engaging authentic informal leaders can help the greater organization accomplish what would otherwise be considered impossible.

These authentic informal leaders are the kinds of trusted individuals whose opinions and advice should guide you at every stage of your cultural journey. These AILs are akin to Special Forces in the military, such as the Green Berets and Navy SEALs. Like these elite military units, AILs are subsets of the organization whose relatively small numbers belie their position of influence, thanks not to their formal leadership role but to their total dedication to that organization's mission and purpose.

Let's start with what they are not: authentic informal leaders are not on your executive team or in any other highly placed position on your organization chart. Formal leaders play a role in any effort to evolve a culture, but their influence and position mean that they are already empowered to do so. By convening AILs, you are seeking to add a new dimension of insight to formal lines of authority, rather than recreate them. Therefore, you want to engage those for whom cultural legitimacy, emotional intuition, and relationship capital are far stronger than they are for others in similar positions.

AILs might appear, at first glance, to be skeptics or resisters. This not does not necessarily reflect a passive-resistant fear of change although routinely, it is perceived as such by management. On closer investigation, AILs who raise concerns and objections aren't trying to stand in the way. They are trying to move the organization closer to its potential and to protect and fight for what they understand to be important to people. If you can learn to tell the difference between AILs and malcontents and hear what the former have to say, you will add fuel to your arsenal of ideas and opportunities for how to work with your culture's existing emotional strengths.

Some organizations find it useful to categorize specific types of AILs. In our research and experience, we have seen the following:

Pride Builders. These are people who can help you design ways to motivate others. They're often frontline leaders or middle managers. Although not often recognized by the formal elements of the organization, these individuals are natural energizers of the system around them. They bring out the best in others. They make people feel good about the work itself—no matter how boring, grungy, or stressful it might be—by connecting it to something larger than themselves.

Exemplars. Exemplars model effective behaviors. Their actions appeal to others and drive results because these people exhibit behaviors that resonate with the goals of the enterprise. It means working above and beyond the written rules to attain business results.

The Critical Few

Networkers. These AILs cultivate and nourish informal social connections, enabling important and productive work outside the lines of the formal hierarchy. They are high in “social capital” and do not rely on formal position or authority. Networkers know how to accomplish strategically important tasks within the existing culture, even when others find roadblocks.

You can find the most effective sub-populations of authentic informal leaders using a variety of methods, ranging from informal conversations to more digitally enabled methods of surfacing patterns of relationships and affiliations such as social network analysis. All these methods have a crucial factor in common in that they differ from the formal HR mechanisms used to identify the top candidates for strategic moves or promotions.

Work with AILs should be ongoing throughout your culture evolution process, taking the form of a series of discussions. You will ask for AILs’ feedback on leaders’ ideas. You will also ask them how they achieve their goals. Working with the energy of AILs is the best place to dig into cultural obstacles and to determine how you can align strategy, operating model, and culture. AILs are also the very best source of ideas for how to attach the high-minded aspirations of any culture program to real, tangible business results.

The days we convene AILs are always the most satisfying days. These are rollicking, enjoyable sessions. The emotional energy is palpable and contagious. Sincere interest in people’s day-to-day work reveals emotionally compelling issues and emotionally charged values, and people tend to find them bracing, thought-provoking, and memorable. Gathering AILs together amplifies their knowledge and emotional reach to one another, to senior leaders, and to the wider organization—and participants take renewed energy back to the front line.

5. Measuring Cultural Action

We hear two questions over and over from leaders as they digest and respond to the theory of the critical few. The first is, “How do I actually get people to act differently?” The second is, “How will I know if my culture is improving?”

The answers to these questions are deeply intertwined. Helping your culture evolve is indeed possible. A culture evolution program does not consist of just talking and listening. Once you identify the critical few traits, behaviors, and people, there are tangible actions that can shift a culture toward better alignment with your organization’s purpose.

One of the central messages of this book is that cultural situations evolve slowly over time. You can’t point your finger and mandate behavior change. You can intervene to create the conditions that make the right behaviors emerge.

The Critical Few

We use the word *intervention* as a broad term for any deliberate act that an organization undertakes to explain, encourage, reinforce, or reward critical behaviors. You're looking to surround your people with a coherent system of "enablers," some formal and some informal, that all, taken together, suggest a new path.

Interventions can take many forms. The most effective interventions have three characteristics. First, they evolve out of the critical few behaviors discussions, and therefore they are, innately and by design, coherent with the overall message about how the desired behaviors will support the business. Second, they track and measure the tangible impact of putting the new behaviors into action and, ideally, even attach these new ways of behaving to "hard" business results. Third, they appeal to the minds and hearts of those impacted.

To move from a communications-led transformation to a true culture-led, behavior-focused transformation demands an approach that requires much more active engagement from people than simply downloading the latest FAQ. Interventions, when well designed, aim for the front line where work gets done. They rewire how people work together day to day.

The key to interventions and measurement is to focus on a critical few. You select a few targeted areas of your organization where a shift toward the identified behaviors—more people doing more of them more of the time—is most likely to have a tangible impact that can be seen and felt in a manner that helps people rally behind your cause. Working with your ALLs, you co-design interventions that will help embed and reinforce the behaviors.

The only way to keep the momentum is for progress to be both made visible and acknowledged. This encourages and inspires others, and thus the critical behaviors are rewarded and repeated. To put it simply, this is why churches track funds raised for the church fair with plywood thermometers on the lawn. It is encouraging simply to see progress, and that encouragement then helps the behaviors be repeated.

The best way to make a real difference in your culture is by focusing on your own company's critical few behaviors, engaging your organization's authentic informal leaders, and developing your own company's specific, measurable approach to intervention. This is the secret to real lasting cultural evolution.

We will be the first to admit that culture is a "fuzzy" topic, one for which establishing firm rules or universal standards of measurement is difficult. Our aim has been to convince you, with the stories and examples we've shared, that it is indeed possible to move conversations about culture from the theoretical toward the empirical.

The Critical Few

The key is to be practical and disciplined and to listen very hard to the voices of the people who do real work. You want to choose metrics just like you choose behaviors, not according to some abstract set of ideals but by paying close attention to the way real work gets done and what matters emotionally to people.

The longer we spend in this culture game, the more aware we become that this is an area of study still in its infancy. For now, we will continue to encourage clients—and encourage you, the reader—to focus not on an abstract idea of what the “best” culture is but on what is strongest, most reliable, and most effective within your current culture. We believe that is the quickest and most effective way to get the best out of people.

We would also like to challenge you, our reader, to take away the simple idea that measuring and quantifying aspects of a culture not only is possible but can lead to some powerful insights.