

The Power of People

By Mike Huszar

CULTURE EATS STRATEGY FOR BREAKFAST

A colleague had a poster up in his office quoting Peter Drucker, the famous management effectiveness author, speaker, and guru. It simply reads, "Culture eats strategy for breakfast." Then below it, a post script reads, "Same goes for objectives." I was intrigued, as I, alongside my colleagues, perform a lot of work with clients around the creation and implementation of strategy and objectives. We focus organizations very heavily on intentionally driving the culture that we want. Universally I can say that clients want to change/improve their culture, revealing that they are not fully satisfied with the culture they currently have. Remember this: **THE CULTURE THAT YOU HAVE; IS THE CULTURE YOU HAVE EARNED.** Often, as we focus an organization on what is needed to improve culture, the principles, concepts, and practices we espouse seem foreign or even unwanted.

PRIORITIZE IMPACT OVER EASE

I recently asked a group of leaders at a client organization, "If it is true that 'Culture eats strategy for breakfast' (by the way, everyone agreed that it did), then why do most executives and other leaders not place a more significant focus on culture rather than strategy and objectives?" Everyone shared the same opinion. The answer is quite simple and predictable, "Because it's easier." It will always be easier to focus on technical items rather than people items. It will always be easier to do something quickly rather than do something that will take years, or even an entire career.

CULTURE IS KEY

Culture is the key to organizational enthusiasm. Culture is the key to improvement velocity. Culture is the key to sustainment. Culture is the key to success. So, what do we do? In the last few years, I was able to spend significant time on a comprehensive turnaround at a client site. The typical symptoms were apparent; failing to meet growth targets (trending negatively), failing to meet profitability targets (not even close), no management bonuses in many years, poor quality and delivery, and low morale. I basically had to focus on everything, which means no focus, right? I decided to focus on people. The hypothesis was that if we focused appropriately on people, **EVERYTHING ELSE** was going to improve.



First, literally on day one, I laid out a vision for where we were going. I tried to paint a picture of the destination so that people could envision success. I then laid out expectations. The expectations were considerable. They were communicated in writing and were reinforced regularly through daily coaching. We greatly enhanced the performance evaluation process, ensuring perfect alignment with the behavioral expectations that were communicated. I spent most of my time with the leadership team. The goal was to inculcate the principles, philosophies, concepts, and practices into the DNA of the leadership team in order to achieve critical mass and affect the entire organization. I would literally spend hours per day working with the leaders. I would watch them interact with their people who were, in turn, leading others. We wanted to cascade these behaviors throughout the organization. I was personally a part of every performance evaluation, not only of the senior leaders, but of every professional in the business. I made it important - really important. We even instituted a succession planning process that reinforced the valued skills and behaviors we espoused. All of these served to make people our number one priority. What we got was a huge boost in morale and solid alignment throughout the organization.

ATTRACTING OR REPELLING PEOPLE

Was everyone on-board? Unfortunately not. Sometimes, the best thing a leader can do for the organization is protect it from those who do not “get it” or those who fail to make people the number one thing. Business is, and always will be about people. Either we will attract people because of the value/worth we ascribe to them, or we will repel people because of the value/worth we ascribe to them.

ACTIONS THAT PRODUCE EXTREME LOYALTY

Although this training process was arduous work, after slightly less than one year, the hypothesis was proved. All of the measures were trending correctly. I then visited Japan with my DRIVE team and met the owner of AVEX Corporation. You can read more about it in our August Newsletter. Essentially, we heard from a leader who stuck to his principles when everybody, including his bank, was telling him to have a massive layoff during the great recession. He refused to do so, even to the point of mortgaging his own home to make payroll. After a few bumpy years, he was able to grow far beyond where he had been prior to the recession. The business is far more successful now than he ever imagined it would be back then. He’s grown his business with the very people he protected in the



darkest hours of the business. Those devoted employees continue to work there with a level of loyalty and dedication that most have only read about.

For me and for all of DRIVE, 2016 has been the year of people. We are continually reminded that everything rises and falls on leadership, and leadership is all about people. May we all be encouraged to focus on culture and eat strategy for breakfast!

We at DRIVE would like to wish everyone a Merry Christmas and a successful and prosperous 2017. If you would like to know more about us, please visit our website at www.driveinc.com or contact Paul Eakle at 865-323-3491.

