

Creating culture



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Tips on how to create a highly-productive company culture.

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How will an employee choose to behave in the workplace? Culture acts as the unconscious contract between individuals that provides social pressure to either select or restrict behaviours, based on the belief of how they will be regarded.

THE EMPLOYEE'S DILEMMA

The employee's dilemma is selecting what behaviour they should deploy. In any moment, a member of a group will choose behaviours that they know, believe, and expect will be acceptable and valuable, and will make them feel safe and successful.

Your employees therefore resolve their dilemma about how to act by referencing the culture—specifically, what behaviours will be accepted and valued.

THE PRISONER'S DILEMMA

Let's look at a theoretical 'game' between two individuals who have committed a crime—the prisoner's dilemma.

While there is always a theoretical best outcome that appears rational from the outside, this may not be achieved when two players are making their decisions in the context of the game.

Our two criminals are arrested. Under separate questioning, each has two choices: reveal what happened, or withhold all information. If both withhold, they both get off with no penalty. If both reveal, they both go to jail (both get five years). If only one reveals, they both go to jail but the revealer gets two years (a discount), and the withholder gets seven (a loading penalty).

The outcome of this 'game' is not only contingent on the choice of the individual, but the choice of the other player as well. The choice individuals make is dependent on what they believe, expect, and know about the possible outcomes and the behaviour of the other person.

THE EMPLOYEE'S DILEMMA (PART 2)

Your workplace culture acts to shape the beliefs, expectations, and knowledge of the 'players' and their potential actions, as well as the potential outcomes available for each contingent pair of choices (the reinforcement schedule).

Each player will act according to their culturally shaped context.

If we take the decision dyad—'effort' and 'no effort'—the choice that an individual would make will be based on their knowledge, expectations, and beliefs about how such behaviour will be treated and reinforced. Will 'no effort' be punished or rewarded?

However, with interlocking contingencies, the individual will also decide their actions relative to others in the 'game'. People are highly comparative, and often we will seek to gain fairness rather than deal with the 'rational' structure of the game.

If there is no reinforcement for selecting high-performance behaviours, why would an individual select them? Too often, incentive systems, reward programs, and even day-to-day interactions have capped or negatively skewed reinforcement schedules that encourage decreases in performance, or encourage actions which work against the company goals.

THE LEADER'S DILEMMA

Leaders therefore have the dilemma of ensuring that the company culture drives high performance.

For every interaction, each employee, consciously or unconsciously, is deciding things such as whether to offer high or low effort; to collaborate or not; to take responsibility or apportion blame. How each individual decides is complex, contingent, often irrational, and heavily based on the company culture.

If we, as leaders, have shaped the culture, we can tilt each 'game' to the high-performance option every time.

The choice individuals make is dependent on what they believe, expect, and know about the possible outcomes and the behaviour of the other person.

To build a high-performance culture we can modify the social pressure that drives behaviour, and ensure the rewards and punishments are skewed towards high-performance behaviour.

WHAT CAN A LEADER DO?

- **Think about what you want the culture to be:** What behaviours are critical—and how and when should these be deployed?
- **Consciously build the culture:** Demonstrate the valued behaviours; create heroes of staff who demonstrate them; change process to make them probable; and ensure everyone knows what behaviours are wanted, and how they will be reinforced.
- **Lead with consistency:** Anything less than 100-per-cent consistency will introduce false beliefs about what is accepted or valued—often at the expense of high-performance behaviour.

THE LEADER'S DILEMMA (PART 2)

In the end, the dilemma for a leader is whether to control the 'game' or simply be a player—to consciously lead high-performance behaviours and business success, or to be driven by a culture that someone else has created. In the leadership game, what will you decide? ■