



BUILDING A WINNING CULTURE: A TOP PRIORITY FOR LEADERS

Over 30 years of global experience has taught us that a winning culture produces at least four critical outcomes.

- First, organizations with winning cultures achieve sustained, superior results — today, tomorrow, next quarter, next year.
- Second, they establish loyal customers, customers who come back again and again, and tell stories about why they do so.
- Third, their employees are fully engaged, giving their finest efforts to their work.
- Fourth, the organization's stakeholders develop a sense that they are making a distinctive contribution, that what the organization does and their role in that work matters.

Consider employee engagement for a moment. In today's world, with all its attendant challenges, moving pieces, and barrage of information, the key factor between the organizations that will sustain success and those that don't will be the ability to engage one's people to volunteer their very best. It is the ultimate competitive advantage. Let's look at two powerful examples of this ultimate competitive advantage in action.

Coach Anson Dorrance of the University of North Carolina women's soccer team has created a remarkable culture of winning. At one point, his teams achieved a 103-game unbeaten streak, and the team has won 21 national championships and counting. This seven-time National Coach of the Year is recognized as simply one of the greatest coaches ever in any sport.



Performance like that doesn't happen by chance. Coach Dorrance deliberately and masterfully engages top talent in a collective pursuit of performance. He's done so by creating a framework for engagement and synergy, and the athletes integrate their individual contributions into that framework. These skilled athletes quickly realize the level of commitment required for Coach Dorrance's system, and they work daily to live up to that level. The results of such a team culture speak for themselves.

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THE ULTIMATE COMPETITIVE ADVANTAGE

Great short- and long-term results require more than talent — most collegiate athletic programs have amazing talent but don't achieve anywhere near UNC's results. In short, these type of results require a winning culture, and that is the framework Coach Dorrance has established.

“IF YOU DON'T
HAVE A
**COMPETITIVE
ADVANTAGE,**
DON'T **COMPETE.**”

— JACK WELCH

The sports arena is certainly not the only place this applies. After partnering with some of the greatest organizations and leaders worldwide, we know that this type of culture, where people get excited to perform and contribute, can happen in the department, division, team or organization you're leading. A shared framework enables you to leverage the most powerful, hard-to-replicate, and sustainable competitive advantage — a winning culture.

CREATING A WINNING CULTURE

At FranklinCovey, we define culture as the collective behavior of your people. It's what the majority of your people do the majority of the time, the nature of the language and relationships within the organization, and the spoken and unspoken values, norms, and systems operating at work.

Culture is the reason a Honda line worker stops the workflow if she spots a quality problem. Culture is the reason top-rated Southwest Airlines ground crews run to meet an arriving plane. Culture is the reason why, if your purchase gets stolen from your doorstep, Amazon sends you another one — immediately and at no cost.

Winning cultures are filled with superb people who deliver as promised time after time. They give you someone and something to trust. Winning cultures are unique, deliberately designed, and rare.

“NEARLY EVERYTHING ABOUT **YOUR ORGANIZATION**—INCLUDING YOUR STRATEGY, PRODUCTS, AND SYSTEMS—**CAN BE REPLICATED, EXCEPT ONE THING: THE EFFECTIVENESS OF YOUR PEOPLE. CULTURE IS THE ULTIMATE COMPETITIVE ADVANTAGE.**”

— BOB WHITMAN, CEO, FRANKLINCOVEY

A WINNING CULTURE IN ACTION

Let's visit a second winning culture we've been privileged to work with over the past seven years: Western Digital, one of the largest hard disk drive manufacturers in the world. Our work with Western Digital began with FranklinCovey Thailand training the Western Digital leadership team in the principles found in *The 7 Habits of Highly Effective People*. Western Digital's leaders worked to create a culture with *The 7 Habits* principles as their core operating system.

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FranklinCovey, Western Digital facilitators, and champions trained and installed these principles as the core operating system at all levels of the organization.

Just as an individual's character is tested when it is under pressure, an organization's culture is exposed during times of crisis. And the culture at Western Digital was tested in 2011, during Thailand's heaviest rainy season in fifty years. Due to immense flooding, thirteen million people were displaced and more than eight hundred people died. It was reported as the fourth most expensive disaster in history.

Western Digital's manufacturing facility went under nearly six feet of water, devastating an operation that requires a zero-dust environment. It was a calamity of epic proportion.

When it was over, experts estimated that it would take a billion dollars and at least seven months of cleanup to get even part of the Western Digital factory back on line, while much of the high-end equipment would require years to replace. Some market reports even predicted the end of the company, which would leave nearly 35,000 workers without jobs. The effects were immediate and global, as high-tech manufacturing everywhere ground to a halt without the key components from Thailand.

Western Digital's leaders didn't want to take years to get back to work, so—drawing from a healthy culture they had deliberately cultivated—they took things into their own hands. They immediately spread the word that there would be no layoffs—they were a team and they were going to get on their feet together. The safety of their people came first; crews were organized to help the most stricken employees with urgent circumstances in their homes. On day two, they came up with the idea to hire Thai navy crews to salvage irreplaceable equipment and get it to dry land for refurbishing.

Meanwhile, the plants of other big companies in their industrial park, with their workers laid off, were rusting in mud. But at Western Digital, the work went on nonstop. The fact that everyone remained on payroll certainly made a difference, but rebuilding the business themselves seemed to come naturally to these remarkable workers. Tens of thousands, many still trying to cope with the crisis at their homes, showed up to revive their plant. Some traveled miles each day from refugee centers, often in small boats or on water oxen for hours a day, determined to show up for work.

“WHEN YOU ASK PEOPLE ABOUT WHAT IT IS LIKE BEING PART OF A **GREAT TEAM**, WHAT IS MOST STRIKING IS THE **MEANINGFULNESS** OF THE EXPERIENCE. PEOPLE TALK ABOUT BEING PART OF **SOMETHING LARGER** THAN THEMSELVES, OF BEING **CONNECTED**, OF BEING **GENERATIVE.**”

— PETER M. SENGE, MIT LECTURER AND AUTHOR, *THE FIFTH DISCIPLINE*

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SOME EMPLOYEES TRAVELED MILES EACH DAY FROM REFUGEE CENTERS, OFTEN IN SMALL BOATS OR ON WATER OXEN FOR HOURS A DAY, DETERMINED TO SHOW UP FOR WORK.

Many found themselves doing jobs they had never done before—hard, muddy labor. Company leaders rolled up their sleeves and labored alongside their colleagues. Workers who had never met before formed teams and solved problems on the spot.

As a result, Western Digital reopened the plant only fifteen days after the waters receded. Within a year, it had reclaimed the number one position in the market. The firm remained profitable, and even managed to acquire one of its top competitors. Observers were astonished that it hadn't taken billions of dollars and many years to recover. All it took was a superb team willing to wade through mud for each other. That is the power of a winning culture.

Watch how Western Digital not only overcame a natural disaster but increased their gross margins.

A TOP PRIORITY — AND CHALLENGE — FOR LEADERS

From our experience, we have found that leaders across the globe agree that engaging their talent is their top priority. They know the dramatic difference that a team like Western Digital can make. They know that the ultimate competitive advantage belongs

to organizations that can get the best contribution possible from the best people they can find. It means inspiring and engaging people so they choose to bring their best consistently.

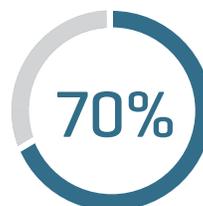
So, if so many leaders are aware of opportunity associated with having a winning culture, why is there no “outbreak” of great cultures? Every team, every organization has a culture. Very few have a winning culture. In fact, the majority of working people self-report that they are unengaged or actively disengaged from the work. Leaders have failed to inspire the vast majority of their workforce, thus losing what tens of millions of people could contribute.

AN EPIDEMIC OF DISENGAGEMENT

One of the main causes for such widespread disengagement is that too many business leaders simply don't know how to engage their people. As a client of ours told us, “When I graduated from law school, I came out with the very best academic, analytical, research, and legal tools. But what I was not trained on, and what I was not prepared for on day one, was how to coach and engage people. Everything I do has to be done with other people. Everything depends on what I was never taught to do.”

WIDESPREAD DISENGAGEMENT

Source: Gallup Organization



of the workforce is disengaged



if you factor out leaders and managers

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At FranklinCovey we know culture makes all the difference, yet too many organizations and leaders leave building their culture to chance. We're reminded of the quote by acclaimed management expert Peter Drucker, "Culture eats strategy for breakfast, and it's only when you fully understand what this means that you'll lead a successful company."

BUILDING A WINNING CULTURE — DELIBERATELY

Great cultures — the kind that become a competitive advantage — don't just happen. They are a deliberate creation. They require a framework for implementing a common language and approach. They require deep personal effectiveness in every role. They require leadership at every level, with clarity around the organization's key goals and top priorities, and a process for executing these priorities. They require trust and loyalty among (and beyond) the team.

ACCORDING TO THE **SURVEY ON GLOBAL CEO PERFORMANCE** BY STANFORD UNIVERSITY, **ENGAGING PEOPLE** IS RATED THE **"TOP WEAKNESS"** OF CEOS.

A leader's main job is to build that kind of culture. As author Ram Charan said, "The culture of any organization is simply the collective behavior of its leaders. If you want to change your culture, change the collective behavior of your leaders."

The teams representing UNC women's soccer and those at Western Digital have demonstrated the remarkable results that come from establishing a deliberate winning culture. Creating a culture and a framework



"THE ONLY **SUSTAINABLE COMPETITIVE ADVANTAGE** THAT WILL LONG ENDURE IS THE CORE COMPETENCY OF A **HIGH TRUST, PRINCIPLE-CENTERED ORGANIZATIONAL CULTURE** OF COMMITTED PEOPLE ALIGNED TO A COMMON VISION. YOUR COMPETITORS WILL COPY YOUR MARKETING, YOUR PRODUCT, YOUR SYSTEMS, YOUR STRUCTURE, YOUR STRATEGY, BUT THEY CANNOT DUPLICATE THE **UNIQUE ADVANTAGE** OF THE **TRUST, ESPRIT DE CORPS, AND PERFORMANCE** OF YOUR **PEOPLE.**"

—DR. STEPHEN R. COVEY

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where employees thrive, contribute, and perform is within every leader's reach.

To learn the specific behaviors you need to create a winning culture, read our next white paper, *Building a Winning Culture: Two Essential Leader Shifts*. You will learn how to capitalize on your greatest resource: your people.

“A CULTURE CAN BE
BUILT CONSCIOUSLY
OR **EVOLVE**
INADVERTENTLY.”

— CLAYTON CHRISTENSEN

Ready to build a winning culture in your organization? Contact us at 1-888-868-1776 or visit franklincovey.com.

ABOUT THE AUTHORS



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For over 30 years, Shawn D. Moon has worked with clients across the globe, bringing experience in leadership and management, sales and marketing, program development, and consulting services to help them achieve remarkable results. His deep knowledge and robust experience inspires others to become leaders through personal effectiveness and execution. Shawn is the author or co-author of several books, *Talent Unleashed: 3 Leadership Conversations to Ignite the Unlimited Potential in People*, *The Ultimate Competitive Advantage: Why Your People Make All the Difference and 6 Practices You Need to Engage Them* and *A Winning Culture in Government: The Ultimate Mission Essential*.



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Sue Dathe-Douglass draws on more than 30 years of organizational and leadership experience, and is a catalyst for high performance and engagement at all levels of the organization. Sue joined FranklinCovey in 1996 as a Leadership Delivery Consultant responsible for designing, developing, and delivering customized leadership engagement solutions that met the unique needs of her many clients. She is the co-author of *The Ultimate Competitive Advantage: Why Your People Make All the Difference and 6 Practices You Need to Engage Them*.