

QUESTION 10:

‘HOW DO WE CREATE GREAT CULTURES?’

THE FOLLOW UP FROM MY 2014 TED TALK

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I have always been fascinated by the immense power of the ocean. In 2014, I delivered a TED talk in Sydney called “10 questions I asked the ocean.” What only a few people noticed is that it really should have been renamed to ‘9 questions I asked the ocean’ as I ran out of time at the end! I always planned to revisit the 10th question, so here it is.

‘How do we create great cultures?’



My name is Nick Freedman. Since 2002, I have been passionately helping my clients to build great cultures and develop their leaders to match. My work takes me all over the world, consulting with start-ups, established businesses and NGOs. This book will help you reflect on your culture and introduce a journey you might like to come on with me. But first, let’s take a good look at what culture is and why it matters.

SHE REPLIED “STUDY THE SWELLS”

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WHAT IS CULTURE?

IT'S ABOUT THE 'HOW'

We can explain what culture isn't, using this simple integral map. There are four lenses through which you can assess performance. These lenses come into existence, by making two distinctions:

ME (one person) and WE (the collective).

BEING (thinking/feeling) and DOING (action).

The first lens of mindset is how each person in your business thinks and feels. This then drives their behaviour to create personal results (good or bad). Then there is strategy, which is WHAT you do for your customers. Most leaders spend a lot of time focussing on strategy. And the fourth lens is culture, which is HOW your people work together.



BEING

DOING

ME

WE



GREAT CULTURES ARE FORMED OVER TIME

WHAT MAKES CULTURE?

This is Australian big wave rider, Ross Clarke-Jones, riding a monster swell in Nazare, Portugal on 18th Jan, 2018.

When I visited Nazare, I spent time in their museum dedicated to big wave riding. Inside, I found the ocean explained what she meant by 'study the swells.'

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SIMPLE WISDOM FROM THE OCEAN

WHAT'S BENEATH?

This 3D model shows what the ocean bed floor looks like underneath the Nazare water line. This deep ravine, 500 metres offshore, lies patiently waiting for big Atlantic swells to roll in. And when they do, Nazare showcases it's magic for the world to see.

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SEEN



UNSEEN



THE UNSEEN CREATES THE SEEN

A DEEP DIVE

What's interesting is that you can't see the ravine, unless you go scuba diving. It's the wave that is seen. This points to a truth about how to start building a great culture. We need to look to what is unseen, or hidden from everyday view.

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RESULTS

BEHAVIOURS

EMOTIONS

THOUGHTS

BELIEFS

VALUES



THE SUB-CONSCIOUS DRIVES BEHAVIOUR

CONSCIOUSNESS

All leaders want their people to create powerful results. They want to see the right behaviours which delight customers. They want to see effective cross pollination of teams working in unison. But this is the seen. It's the visible.

In order to understand what is causing and driving behaviours, requires a serious look at what is going on inside. It's in our subconscious values and beliefs, where cultures are formed. I'll explain how to explore yours later in this book, but for now, a vital question needs answering...

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HOW'S YOUR CULTURE TODAY?

Similar to Maslow's Hierarchy of Needs, there are five distinct levels of culture. The cultural hierarchy (next page), helps you consider where your culture is at now, plus what strategies will elevate it to the next level.

LEVEL 4- POSITIVE

In this culture, the values have been defined and employees have an optimistic view of the culture. It's a good place to work and engagement will be medium to high. To reach level 5, the leaders need to engage their people in projects which bring the values to life throughout the business. This turns words into actions. Some businesses are here.

LEVEL 5 - ALIGNED

In this culture, the values have been defined and employees have been given permission to find ways to bring the values to life in their roles. Culture plays a key part in the success of the business and knowing this, the leaders invest in developing it. You can sense a magic in the air in an aligned culture. Few businesses are here.

LEVEL 2- LAGGING

In this culture, no values have been defined and there will be a 'heaviness' in the culture, usually originating from the mindset/emotional state of one or more of the leaders. To improve, the leaders need to undertake some leadership development and self reflection, to refocus their sights on creating a vision of a better future.

LEVEL 3 - MEDIOCRE

In this culture, no values have been defined and there will be good days & bad days, but nothing much special happens in this average workplace. To reach level 4, leaders need to explore their own values, then agree which values the business needs to clearly explain to their people 'how we do things around here.' Many businesses are here.

LEVEL 1 - DYSFUNCTIONAL

In this culture, no values have been defined and people are consumed with conflict, blame and fire fighting. Negative financial performance will be visible. To improve, strong leadership and systems that support people to complete their work effectively will need to be implemented.



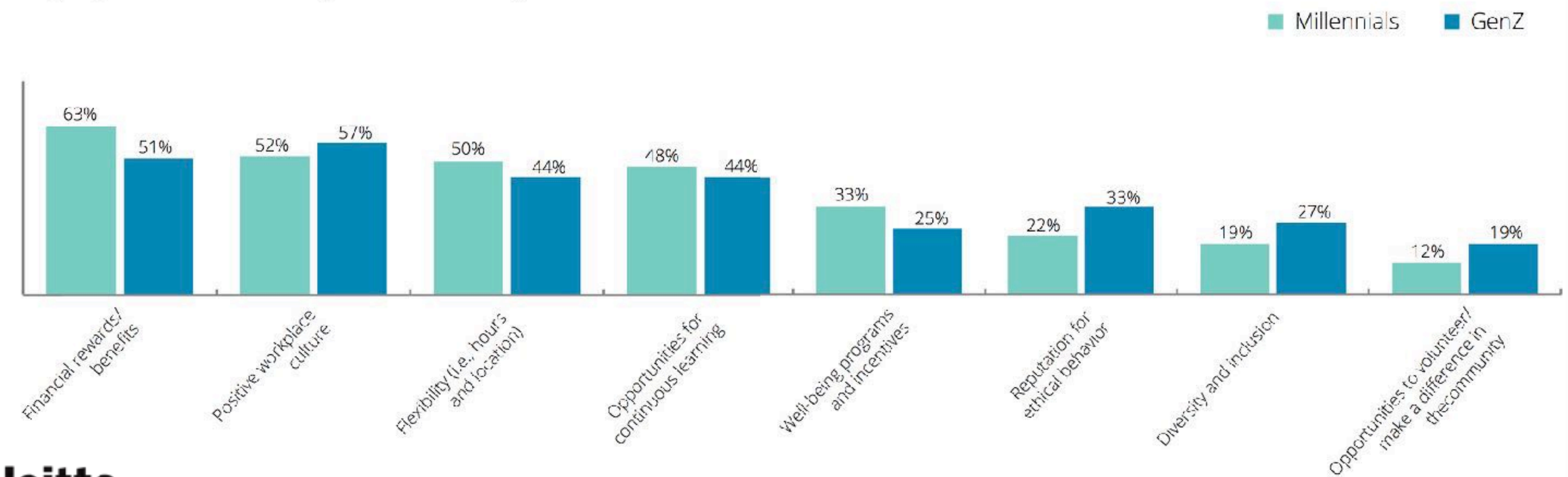
WHAT ARE THE BENEFITS?

The old adage that you 'get back from life, what you give to it', is also true of building your culture. If you are going to seriously embark on a cultural journey, you'll need some reasons. Here's three good ones...

1. GREAT CULTURES ATTRACT GREAT TALENT

Deloitte's 2018 research into Millennials states "... companies that are most aligned with millennials in terms of purpose, culture and professional development are likely to attract and retain the best millennial talent and, in turn, potentially achieve better financial performance. "

Figure 15. Pay and positive workplace culture top young workers' wish list
Percent "very important" when choosing to work for an organization

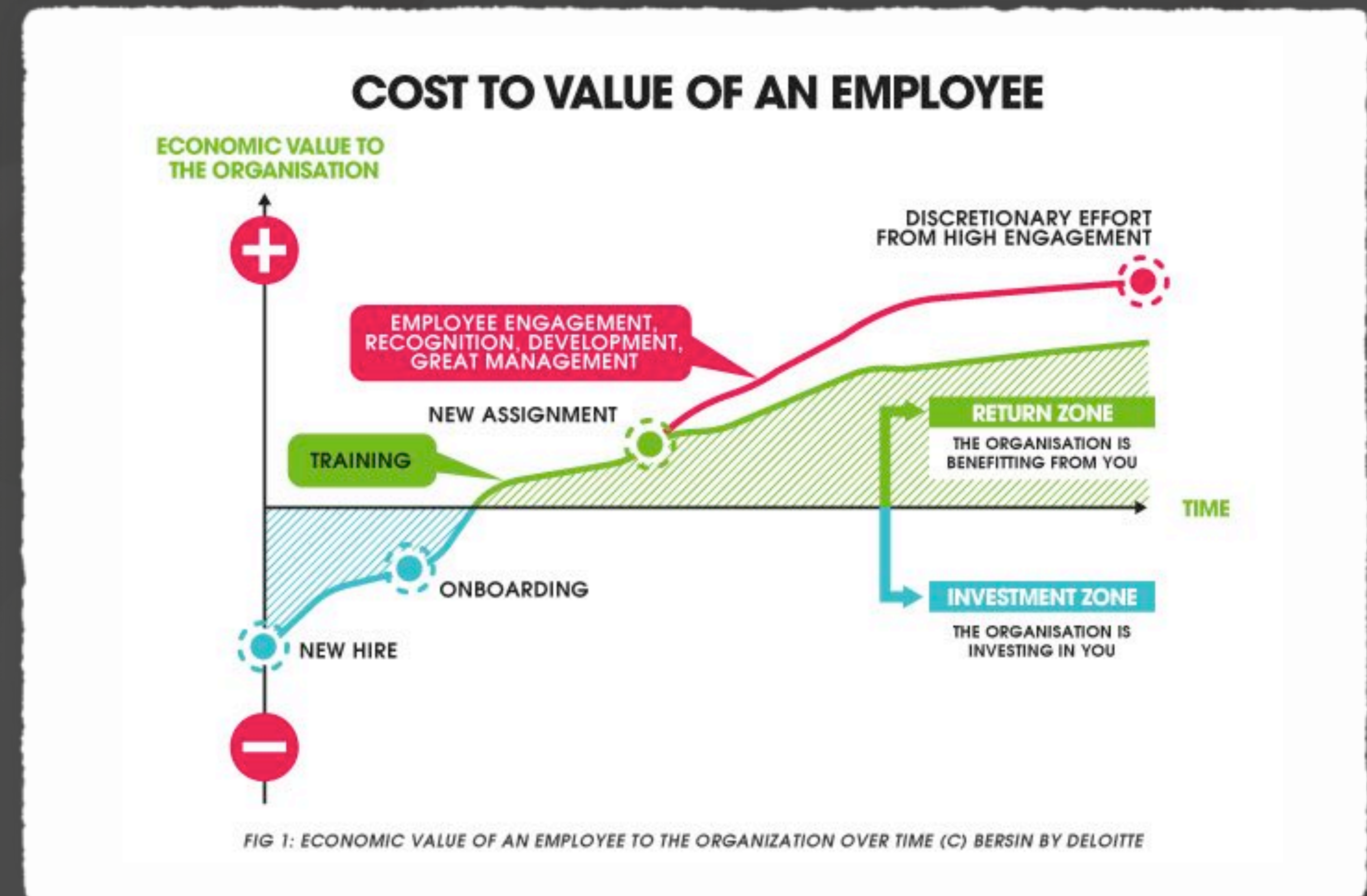


Deloitte.

2. ENGAGED EMPLOYEES ARE LIKE GOLD

Leading HR thinker, Josh Bersin, shows in this graph why holding onto good people is worth the effort. The cost of losing an employee can be 1.5–2x their annual salary. You put a lot of effort into recruiting, then onboarding the right people, and it's equally important to invest in keeping them engaged and motivated, whilst they are at work.

Whereas culture is not the only thing which does this, it plays a critical role in how much value your people add. When your employees buy into a culture they believe in, and enjoy their work, you'll have an engaged tribe, who bring their full selves to work. They will be excited at work and seek ways to improve your business. At this point, the effort of hiring great talent and building your culture starts to pay off.



3. ENGAGED EMPLOYEES = HAPPY CUSTOMERS = IMPROVED PROFITS

Great cultures are built one conversation at a time. As your people interact with others, they either create positive or negative experiences. Your culture is about more than just your employees experience of the business. It flows outside your company too, to affect customer experience.

When your customers have a great experience by interacting with passionate employees, it breeds loyalty. And over time, this loyalty will turn into financial rewards for your business. Here's some ROI stats about customer experience & loyalty:

- Acquiring new customers costs 5 to 25 times more than retaining existing ones (source Harvard Business Review).
- One happy customer, on average, will refer 9 people to your business (source American Express).
- 86% of customers are willing to pay more for a great customer experience (source Right Now).
- Branson summarises this concept into simple terms.



Clients do not come first.
Employees come first.

If you take care of your
employees, they will take
care of the clients.

Sir Richard Branson

A man with a shaved head, wearing a light blue button-down shirt, is speaking to an audience. He is standing in front of a screen that displays the website 'nickfreedman.com.au'. The audience is visible in the foreground, with the backs of several heads. A dark text box is overlaid on the right side of the image.

HOW DO WE REACH LEVEL 5?

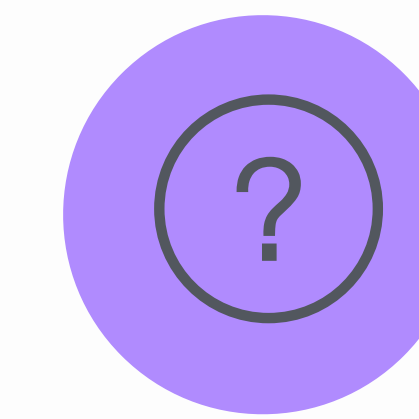
It's all good and well creating a vision of a great culture you want, but it's not much use unless you have a process in place to help you get there. As an ex-project manager, I do love a good process ...



FOUR PHASES

All great journeys come with a roadmap. To develop a level 5 culture in your organisation is a commitment which takes time and effort. The four phases illustrated here are also explained in more depth over the next few pages.

If you want to discuss bringing this work into your team or business, you'll find my contact details on the last page. I would love to talk to you and explore how I can be of service.



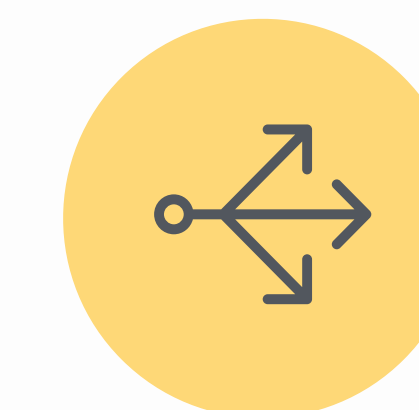
1 AWARENESS

We start by getting clarity about the leaders values, to uncover what's already present in the culture. We also craft a future cultural vision.



2 AGREEMENT

Then we reach agreement about 6 values that encapsulate how things get done, plus what needs to change to improve the culture.



3 APPLICATION

We then ask everyone 'how do you live and breathe these values in what you do?' which defines the culture projects we implement.



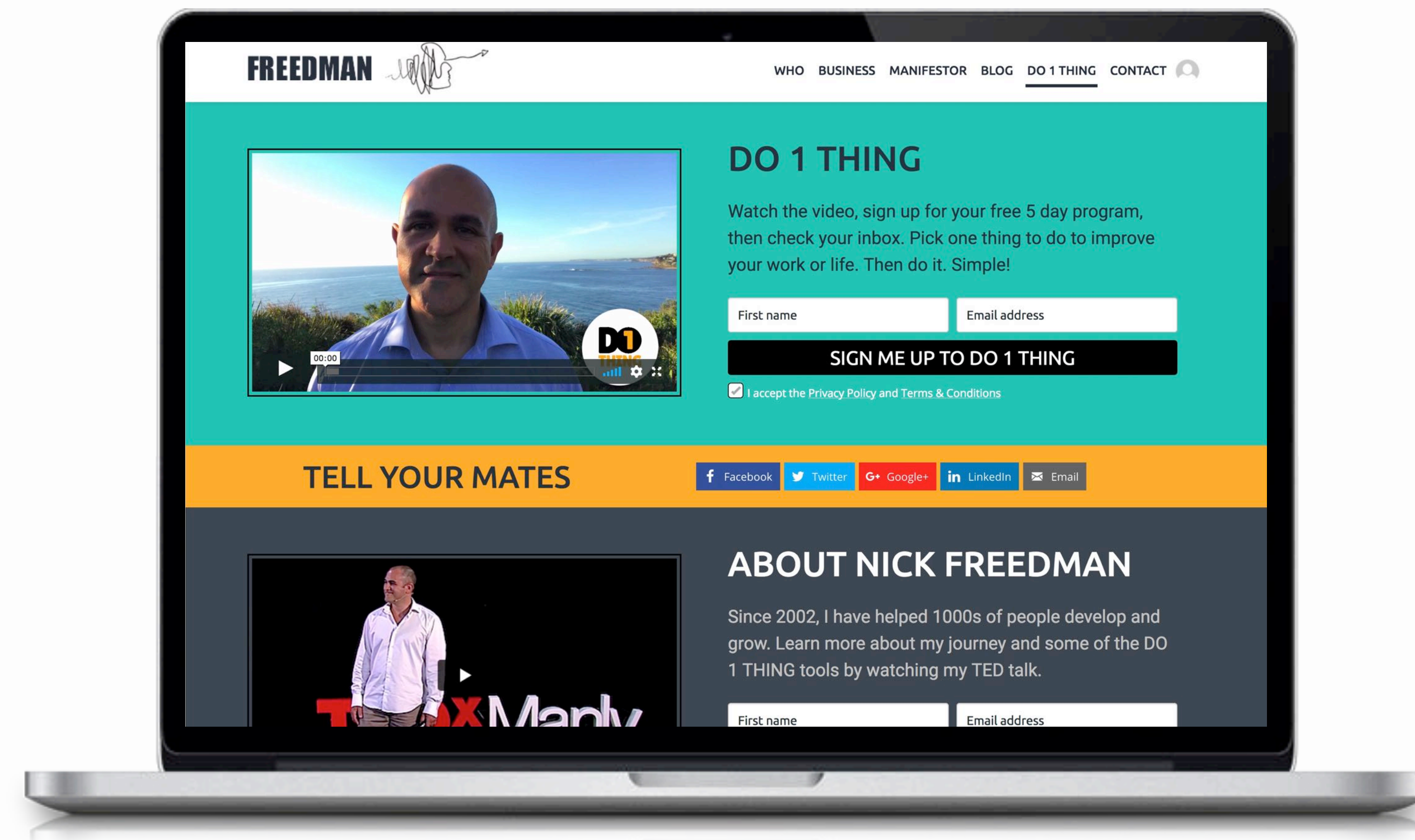
4 ALIGNMENT

And by implementing the projects, we begin embedding values into the employee lifecycle. Attract. Recruit. Develop. Retain. And release.

WHAT'S DRIVING YOUR BUSINESS?

VALUES PROFILING

The magic of defining a culture comes from understanding what values are already present in the hearts and minds of the leaders. Picking too many aspirational values, which are disconnected from how the leaders currently manage the business is a waste of time. So we begin with all the leaders and a handful of significant employees completing their own values profile. This helps them develop a healthy self awareness, which is vital preparation for the next phase.



The values profile can be taken by anyone, simply by signing up to the free 5 day program on my website, called Do 1 Thing. The link on the right will direct you there, and the profile takes around 30 minutes to complete.

AWARENESS PHASE

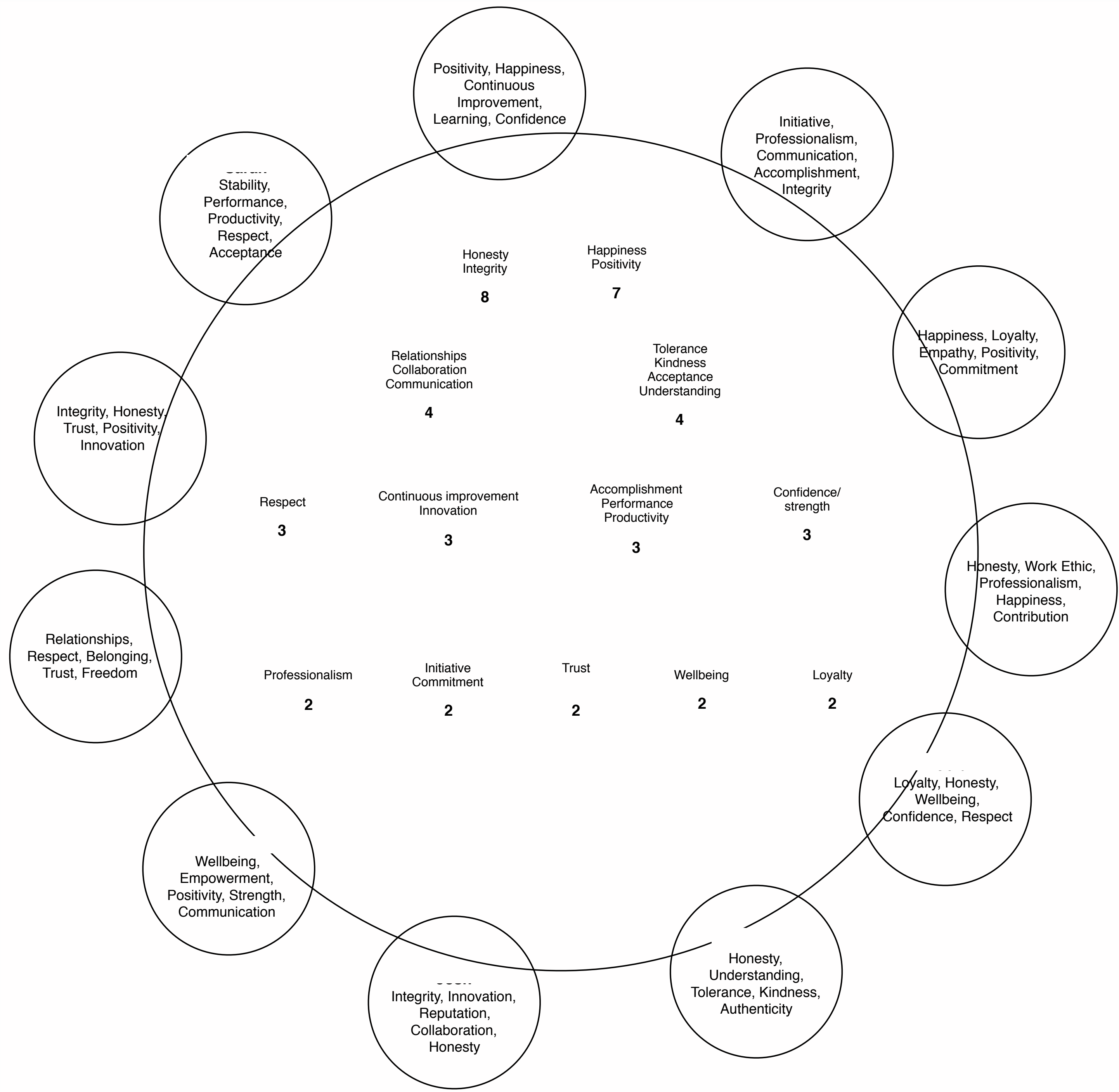


[CLICK HERE TO FIND OUT YOUR VALUES](https://www.nickfreedman.com.au)

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WHAT'S DRIVING YOUR BUSINESS?

SEEKING COMMON GROUND



Then we do a piece of work to explore the common ground of the leaders with the intent to uncover the most visible values in the culture. As well as giving us useful data for the process, the dialogue enables leaders to gain a deeper understanding of their peers worldview and preferred working styles.

AWARENESS PHASE





HOW DO WE DO THINGS AROUND HERE?

AGREEMENT PHASE

With clarity, the leaders then filter 100 cards down to 6 or 7 values. The final cut includes current, plus 1 or 2 aspirational values (which creates the stretch). At this point, we then engage more people in the business to craft the mottos. The mottos explain how everyone can apply the values into their work.

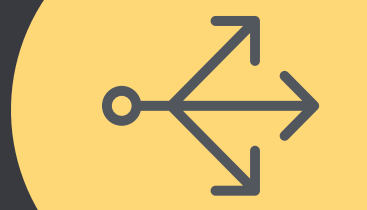
[Click here to watch the movie of how Clever Contacts \(shown here\) created their values & mottos.](#)

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TRANSLATING WORDS INTO ACTIONS

APPLICATION PHASE



Values and mottos mean nothing unless people apply them in their day to day functions. Phase 3 asks everyone a simple question. 'How will you bring each value to life with your colleagues and customers?'

The ideas that are generated are then turned into projects that culture champions own and drive themselves. This emergent process creates high levels of accountability as individuals are empowered to own the values and find ways to bring them to life. From a media business that implemented an internal 'shark tank' style incubator program to launch new ideas, to a child care centre that raised funds for the local community, the types of projects are only limited by people's imagination.

[Click here to read 25+ linkedin testimonials from my clients, about how they've transformed their cultures.](#)



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KEEPING IT FRONT OF MIND

ALIGNMENT PHASE

To enjoy the magic of a level 5 culture, where your employees truly are your greatest asset takes time. Your values need to be embedded into each stage of the employee life cycle. This requires executive sponsors to own the process of cascading the values into their divisions. One example is to design recruitment processes to ask candidates what they value, to seek culture fit. Another example is to build performance reward systems that include qualitative values, as well as tangible KPIs.

It is also imperative to monitor the monthly ebbs and flows of your culture. I work in partnership with technology provider teamgage, to offer real time tracking of your culture. With an accurate dashboard showing how your culture evolves, it then becomes possible to see which leaders are aligned and which ones require more development to become aligned.

To learn how teamgage can help you track, monitor and proactively develop your culture [click here](#).



Ongoing, real-time snapshot of your team

🏠 Fill out Teamgage anonymously **as often as you like**

Submission for entire organisation

Overall Engagement



Peers

Energy



Manager

Workload



Organisation

Fulfillment



Time Remaining

READY FOR THE NEXT STEP?

FIND OUT WHAT KIND OF SWELL YOU CAN CREATE



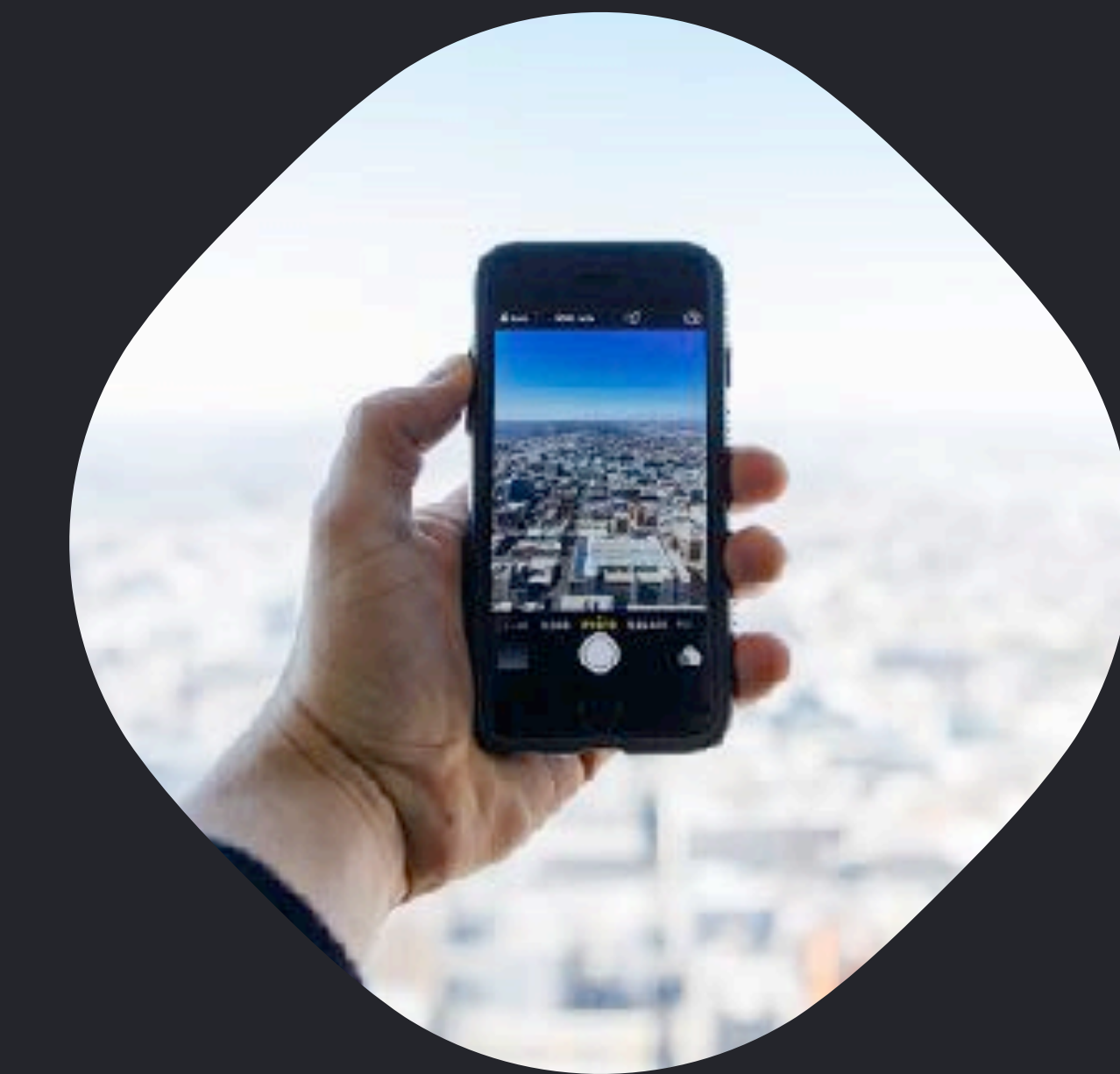
TAKE YOUR VALUES PROFILE

A great place to start, is by exploring your own values. You can complete your profile in 30 minutes by clicking here.



WATCH MY TED TALK

This book focuses on question 10, which I ran out of time to finish in my TED talk. If you'd like to watch the first 9 questions click here.



GET IN TOUCH

If you want to explore how to bring this great work into your business, call or email me. My details are below.

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