

Cultivating a Culture of Success

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Top 5 reasons this may be the hardest presentation I've ever given

5. You guys are probably sick of hearing us speak by now.
4. It's the most un-economic topic you'll find at an all-economic conference
3. Excel doesn't make a spreadsheet for this
2. I can not chart/graph/or quantify anything I'm about to say
1. What the heck is "culture" and why in the world should I care about it?

The reason I'm doing this presentation anyway

Having a great corporate culture isn't something that will make it rain...

But it has everything to do with how you handle the drought.

What groups are working on today's modern farms?

- Hispanic/Latino cultures
- Anglo-Saxon cultures
- People native to the U.S. as well as people who were born elsewhere
- Men and women
- Young people as well as older adults

Cultural challenges may include

- Communication difficulty
 - Spanish to English
 - Male to Female
 - Young to Old
- Different priorities
- Different job expectations and requirements
- Different expectations of a work/life balance
- Differing emphasis on safety and work procedures

A Tale of Two Farms

- 1000 acres
- Comparable ground
- Two generations active in the operation

- Are they identical?
- What's going to set them apart?

Outline

- What is culture?
- How do employees learn the culture?
- What is the difference between a traditional control culture and an employer/employee partnering culture?
- What is your vision of the culture you want to create?

Organizational culture:

- Has big role in success or failure of a business
- No balance sheet has an entry for culture
- Yet culture can be a huge asset or a destructive liability

What role does culture play in your business?

- It is the personality of the business
- Affects how employees feel and act
 - How important *is* morale?
- Never totally controls employees
- But it significantly impacts the way work is done and decisions are made.
 - The D-Day factor

Where does culture come from?

- Short answer: PEOPLE
- It's *learned* by employees
 - The “new guy” phenomenon
- It can be changed by top management
 - Typically a slow process that may require a change in staff in some instances
- It is never bottom up

Culture = Norms + Values

- Norms are standard ways of:
 - Doing things
 - Acting
 - Reacting
 - Handling problems and situations
- Norms may be followed even if not understood

Source: Bernie Erven

Culture = Norms + Values

- Values operate at three levels in the culture
 - What you see
 - What you hear
 - What you do

What you see

- Finding culture--the driveway test:
 - How do people dress?
 - What do the buildings and machinery look like?
 - Where and with whom people eat?
 - How people interact?
 - When do people smile?
- Why do these things matter?
- What messages do they send?

What you hear

- Does your business have a motto? A mantra?
- Whether you realize it or not, it probably does.
 - “We never work on Sunday if we can help it.”
 - “Nothing is more important than safety.”
 - “We want to leave this place in better shape than we found it.”
- This is perhaps the most obvious way of communicating our culture to our coworkers and the community at large.

What you do.

“Your actions speak so loudly I can’t hear what you’re saying.”

- The most fundamental aspects of our culture are so deeply ingrained that
 - they’re rarely stated yet widely understood
 - questioning them would surprise employees
- These are fundamental
- They go to the heart not just of who we are as a business, but who we are as people

How do employees learn the culture?

1. Heroes
2. Language
3. Symbols
4. Stories
5. Rituals

Source: Bernie Erven

Contrasting organizational cultures

by Bernie Erven

- Traditional control culture

Versus

- Employer/employee partnering culture

In controlling culture

Employees **agree** that these values are important in the culture:

- Being results oriented
- Being demanding
- Being careful
- Being rule-oriented
- Inflexible

In controlling culture

Employees **disagree** that these values are important in the culture:

- Being supportive
- Being innovative
- Taking individual responsibility
- Being team-oriented
- Security of employment

Employer/employee partnering culture

Characteristics

- Success for the business long-term is highest commitment
- Business helps each person to thrive
- Learning is never finished
- Communication is key to success
- Enthusiasm grows from a lively interest in the business

Employer/employee partnering culture

Characteristics (Continued)

- Fairness requires avoidance of bias, dishonesty, injustice and hearsay
- Trust and integrity from each person's word being as good as a written contract
- Each person delivers more than promised
- It doesn't matter who had a good idea first

Striving for a partnering culture

Things that advance the partnership:

- Flexibility
- Being supportive
- Risk taking
- An emphasis on quality
- Enthusiasm for the job

Things that hinder the partnership:

- Being rule oriented
- Working long hours
- Intolerance
- Boss-centered
- Avoiding or promoting conflict

Culture is something below the "water line"

- The "water line" is the point at which decisions can have major ramifications for the company
 - icebergs in the hull
- Anything above the waterline--employees decide. Anything below the waterline--it's taken to the managers

What kind of culture do you want?

And how do you get it?

- What are the top 5 priorities of our business?
- What are the top 5 priorities of our family?
- What would EVERYONE in your business say about how you're doing?

Communicating Culture

- “Begin with the end in mind”
- Find a common language
- Get buy-in from key players
- Know that some culture changes cannot be done without personnel changes

Transitioning Culture

- Different generations will have different value systems
- Different values will almost always lead to slightly different cultures
- But...

What do you REALLY inherit when you take over the family farm?

- Cultures don't change overnight—even when ownership does
- But a change in management is frequently the ONLY way cultures can be changed
- Cultures *are* intrinsically linked with people

Make an effort to be “In the Loop”

Everyone in your operation should be able to say:

- I know what's going on.
- I know what to expect.
- I know how I am doing.
- I know how we are doing.

In exchange, you should make an effort to keep other people in your loop

So why does it matter?

- Agriculture is a competitive industry.
- Employees, lenders, landlords...they look at more than just the bottom line when making business decisions.
- This is your life.
- This, in most cases, is your family

Conclusions

- Even though it never shows up on a balance sheet, culture can be a business asset or liability.
- What is the culture that you have in your business? Is the culture you want?
- What do you need to do to change