

# **CULTURE AS A FORCE FIELD**

#### Understanding Human Behavior

By Robert Porter Lynch VERSION 2.1

#### **Aligning the Hidden Forces in Organizations**

Over again leaders of *collaborative* organizations emphasize the critical importance of "culture." Yet advocates are far less articulate when it comes to being lucid about how and why culture is so important. In this section we will expand this understanding, moving from an intuitive sense to substantive clarity.

Culture is somewhat a mystery because a cluster of *hidden forces* are almost always at play -- invisible and thus seldom ever acknowledged – but they are the *first cause of failure or success* when any leader tries to improve an organization's performance or change its direction.

These forces are potent and ever-present. As an analogy: the earth is powerfully influenced by *gravitational*, *electro-magnetic*, and *atomic-nuclear forces*; all three are invisible; they cause systems on earth to act in very specific ways; their impact, though invisible, is indelible.

Similarly, underlying and imbedded within all organizations are hidden forces driven by a set of *belief systems* supported by *inherent values, symbols,* and *behaviors*. These reflect leadership's ideas about survival, human interaction, and how to operate effectively without losing your job, your position/status, and your perceived importance in the organization. These organic, interconnected beliefs, behaviors, rewards, passed on knowledge, and norms form the basis of what's known as an organization's "culture.<sup>1</sup>"

The beliefs, values, symbols, operating principles, rewards, and behaviors are so powerful in driving direction and critical decisions that they influence every aspect of the destiny of the organization. Thus, because they determine destiny and direction, they are strategic in nature.

Many cultural forces are *invisible*, thus they tend to be *implicit* and somewhat *covert*. But like magnetic or gravitational forces, they are a *powerful force* impacting everything.

Organizational systems (all the working components of an organization) are held together in the presence of a *coherent* force field (or broken apart by *conflicting* force fields).

If there are *multiple* cultural force fields conflicting or colliding within the system (i.e. organization), turmoil results. (Again using the physical analogy: gravitational force pulls objects downward; but this can be counteracted by an electro-magnetic force (such as an

For most people the word "culture" conjures up images of something that's too vague, fuzzy, and amorphous. Talking about "culture" makes many tough-nosed leaders squirm because it feels like a big, entangled Gordian Knot. The idea of "culture" seems to mask over the core phenomenon that are really at play — a strategic set of implicit forces that guide the direction, destiny, and interaction of all parts (systems) of the organization. Moreover, sociologists tell us that changing "culture" is difficult, and extremely time consuming. Our studies and experience show that changing culture, if done effectively, takes no more than 12-18 months. (see NUMMI Case Study). Personally, I like the idea of thinking about "culture" as "force fields" much better, because it more accurately describes what is happening and how to influence its impact.

electric motor) which can pull that object upward, which in turn could then be blown apart by a nuclear explosion.)

**The Cultural Force Field impacts** behavior more powerfully than one's personality

#### The Most Important Thing for Leaders to Know

Virtually all definitions of leadership speak about influencing behavior. What every leader must know is that leaders, more than anything else, create the cultural force field that draws forth or suppresses either good or bad, wanted or unwanted behavior. (see NUMMI Case Study on next page to see how different force fields dramatically impact the very same people yielding totally different performance results). Leaders can influence behavior if they understand what drives it.

That's why it's so important.

Leadership counts; and trusted leadership counts highest.

## Three Types of Cultural "Force Fields"

For the sake of simplicity<sup>2</sup> this article will distinguish and categorize three basic types of strategic force fields that are typically found in the game of business (or government or sports). (Simplicity at this point makes it a lot easier to lay out key steps that enable a leader to alter and align beliefs and behaviors to substantially improve productivity, performance, teamwork, and innovation, while also weeding out counter-productive influences in the force field.) Three basic cultural force field options emerge; each has its place, pitfalls, strengths, advantages, and liabilities. (see Table 1: Spectrum of Three Force Fields )



**Collaborative Culture** 

Working together, sharing ideas, fast innovation

Transactional Culture<sup>3</sup>

Bargaining, trading, price-driven exchange

#### **Adversarial Culture**

Positioning to fight, Win-lose gaming, protection and conflict

Not all strategic force fields are created equal; different force fields produce totally different results.

Because virtually no one makes the distinction between these three cultural force fields, thousands of journalists, academics, and leaders grab a chunk of adversarial systems thinking, mix it with a smattering of transactional processes, and then counter-balance things with an eloquent dose of collaborative philosophy and admonitions. This creates a guidance system concocted of incompatible strategies, processes, and misaligned priorities resulting in a "muddy" organization that darts left, right, up, down, and all around searching for a "magic" solution to its problems.<sup>4</sup>

<sup>&</sup>lt;sup>2</sup> Too many "experts" take pride in making culture too complex, which then makes it totally unmanageable.

<sup>&</sup>lt;sup>3</sup> Transactional cultures can have real value in certain circumstances, such as in internet commerce (e.g. eBay, Amazon, Facebook, etc.) where simple, efficient movement of goods is the core objective.

<sup>&</sup>lt;sup>4</sup> Note: While we have separated and distinguished the three key themes – adversarial, transactional, and collaborative -- in order to provide a better understanding and diagnosis of their impact, in reality these three themes act as interwoven threads in the fabric of the construction industry. The result is the organization traps its employees in a cross-fire: the "muddle" of different philosophies, objectives, and ways of management. The end result is misalignment, distrust, silos, defensiveness, blaming, and fragmentation resulting in missed deadlines, excessive nonvalue added work, bloated budgets, unclear objectives, poor teamwork, confusion, and conflicting directions.

**Table 1: Spectrum of Three Force Fields** 

	Adversarial	Transactional	Collaborative
Key Beliefs	Business a "Psychological War Game;" Winning comes from Power	Trading, Bargaining, & Differential Views on Value Produces Economic Exchange	Extreme Value is Generated when people work in teams to Push the Envelope on Performance
Behaviors	Argumentative, Money Rules, Use Age, Experience, Position or Budget to get your way, "dog eat dog"	Squeezing & Positioning enables you to get the best result in Negotiations, throw a bone to sweeten the deal.	Co-Creative, Teamwork, Trustworthiness, Highly Ethical & Honest; Maximize what's in the best interests of the whole
Rules of the Game	Pressure others; Winning is a result of Cunning & Craftiness; Hype your importance; Protect your backside; Don't Trust Others or you will get screwed; Everything is Win – Lose.	Take advantage of every opportunity, Exploit weaknesses; Timing is critical; Perception is everything; Trust but verify; Use lawyers to ensure protection; Everything is in the "deal;"	Create value & competitive advantage by using Teamwork (internally) & Alliances (externally) .Close integration between operating units, suppliers & Close attention to customers; Strive for Win-Win.
View about Risk Management and Creating "Synergy"	Synergy is an impossible dream, (don't even think about it.). Manage Risk with tough contracts & tougher legal team empowered to litigate	Synergy is derived from High Efficiency and elimination of Non-Value Added Work. Risk Management, insurance, and shedding risk will limit losses.	Synergy is a result of high levels of trust, teamwork, and alignment of goals & values. Use high trust architecture to reduce risk. The biggest risk is failure to adapt & innovate.
Time Horizon	Short Term & Quarterly Earnings	Medium Term & Quarterly Earnings	Long Term Sustainable Competitive Advantage
Value Proposition	Minimum Required to Close a Sale; Squeeze vendors in supply chain	Competitive Price, Acceptable Quality; transact through supply chains	Performance Excellence thru Value-Networks, Good Price, Speed, Innovation, & more
Framework for Negotiations	Winning is essential for me; I get more if I push, squeeze, and threaten to ensure I leave nothing on the table. I'm stronger if you're weak.	What happens to you is your business. Long term relationships are only the product of me getting what I need/want. Switch suppliers to get best deal.	A Win/Win is essential to create productive long- term relationships to mutually thrive. Use our different needs & perspectives as the source of collaborative innovation.
Competitive Advantage	Gained from Size & Money	Gained from Information & Bargaining	Gained from Value Co-Creation
Information Sharing	Horde Information – It is Power	Sell Information – It is a Source of Cash	Share Information to create more new ideas
Make, Buy, or Ally Decision	Buy the Competition to control of industry pricing; Stay Away from Alliances (can't trust anyone else)	Acquire when it's advantageous; Outsource anything that gives a cost advantage; Ally only if you control the deal.	Retain core competency, Form Alliances with Strategic Suppliers & Value Deliverers, Acquire only companies with collaborative cultures.
Trust Level	Distrust , Deception, Aggression, & Manipulation Prevalent	Caveat Emptor (buyer beware)Trust is elusive and unsustainable	Trust is essential to generating a continuous stream of new value
Employees	Employees are a liability on the Balance Sheet; Rule 1: Be tough	Employees are a commodity; Rule 1: Outsource anything but Core Competence	Employees are valuable Intellectual Capital; Rule 1: Turn employees into Innovation Engine
Ethics & the Law	Walk the Edge of Laws, forget ethics	Deregulate; Change Laws to fit our beliefs	High Ethics, Business that Customers can Trust

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For example, General Motors was peppered with this muddy amalgam for years, treating its suppliers and unions with *adversarial*, power-based threats, making buying and selling decisions *transactionally* to get the lowest price (paying a few cents less for an ignition switch that cost billions of dollars in recalls), and admonishing its workforce to work together *cooperatively* to produce innovation and lean work processes. The three different strategic systems negated each other, like a set of grinding gears driven in contradictory directions. The NUMMI Case study illustrates a "muddy" versus "clean" approach.

# NUMMI Case Study: GM & the Union from Hell

# Why Do People Behave Badly?

All of us can recall situations where we've been in the presence of someone who just drove us crazy, bringing out all of our worst qualities. And we've all experienced the converse. Why can some people draw forth our ugliest most vile character and others bring forth the divine? Are our identities so ill-defined that different people can manifest radically different responses?

After twenty frustrating years, in 1982, General Motors threw in the towel on its plant in Fremont, California. A new sense of reality hit senior executives after GM, Ford, Chrysler lost \$5.5 billion to overseas competitors in 1980-81. The Japanese, led by Toyota and Honda, were making better cars at lower prices. GM was convinced that the plant, looming like a "big battleship" of three million square feet, had become simply a battleground for labor and management to tussle and squabble daily. Each focused on dominating and attacking the other. (Their drives to *Acquire* and *Defend* were in overdrive.)

GM blamed the union for all the problems, after all it was the union that was instigating all the turmoil, and protecting the jobs of "hippies, drug-addicts, and scoundrels." The absenteeism was so high (often over 30%) that frequently the production line couldn't even be started. It was, by far, the worst of GM's plants in terms of quality and productivity: double-digit defects in every car, and far higher than average hours to assemble any vehicle. Even worse, many cars were sabotaged as workers put ball bearings in frames and coke bottles in doors, knowing it would drive customers and dealers crazy. Distrust ran so high that the labor contract was wielded as a weapon crammed with over 400 pages of legal doublespeak as each side tried futilely to protect their interests. There was a backlog of over 5000 grievances. Thousands of Fremont workers received pink slips as GM tried to cut its losses.

Toyota approached GM in 1984 with an offer to establish a Joint Venture in the United States to reopen and manage the Freemont plant. Toyota offered to up-grade the manufacturing line, and take back most of Fremont former employees along with their labor union, but only a handful of the GM management. GM saw the alliance as an opportunity to learn the Toyota Lean Management System and accepted the offer.

## A Remarkable Transformation

Compete Externally, Collaborate Internally

Toyota rehired 85% of the Fremont hourly union workforce, empowering workers to use their creative talents to improve daily plant operations. Security was assured with a no layoff policy along with a fifteen page labor contract. Instead of hundreds of job classifications designed to protect jobs, the new contract called for only four. Toyota spent \$3 million train 450 new group and team leaders in Toyota's production system, which was based on

continuous improvements and trust in the workforce. Team members were trained in joint problem solving and quality practices to become experts in their respective operations.

Collaborative innovation was the focal point, as employees' roles expanded to enable their participation in work-related decisions. Ideas for improvement were quickly implemented by team members, with successful solutions becoming standardized. Cooperation and creativity replaced coercion and conflict.

By the time the facility was fully operational, quality defects and dropped to only one per vehicle, which were assembled in just half the time, and absenteeism plummeted to only 3%. Workforce satisfaction soared.

By engaging teams in problem solving, Toyota unleashed the energy of collaborative innovation. New ideas and problem solving took off like a rocket with over 90% of employees engaged in the improvement program. Nearly 10,000 ideas were implemented at the outset, and the flow of ideas continued on.

After two years in operation, the once antagonistic NUMMI workers had built more than 200,000 cars and were winning national recognition. The United States Department of Labor highlighted NUMMI as a model of positive labor management relations. Newsweek magazine spotlighted it as "a model of industrial tranquility." Fortune pronounced it "the most important labor relations experiment in the US today." Industry Week ranked the plant among America's 12 best manufacturing plants.

Why could the same people, the same union, and the same equipment produce such a radically different result in under two years?

By focusing on aligning the entire organization within a *collaborative cultural force field,* bringing people together and letting them innovate in teams, both Toyota and the labor union became more secure and each profited enormously, both financially and personal well-being.

However, even though the handful of GM managers trained at NUMMI learned Toyota's production system, GM was still unable to implement it successfully in the rest of their U.S. operations. Why? Because the "invisible" part of the Toyota system was about trust and collaboration, which GM management was unable to replicate because its management culture was unsupportive, filled with conflicting force fields.<sup>5</sup>

The NUMMI example shows how great teamwork is based on all human energy flowing in a single, unified, aligned, and integrated collaborative direction. This is the leader's most important task --- aligning the

NUMMI shows how two different cultures can draw forth completely contradictory behaviors from the same work force.

force field: building trust, creating teams, building bridges across functional boundaries, generating innovation, and achieving high performance.

Great Leaders are "architects" who design, mold, shape, and align their organization's cultural force field strategically into a high performance collaborative engine.

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<sup>&</sup>lt;sup>5</sup> When GM declared bankruptcy in 2009, it forced the end of the joint venture. The plant was temporarily closed, and Toyota, in conjunction with Tesla Motors, a manufacturer of new generation electric cars, now occupies the facility.

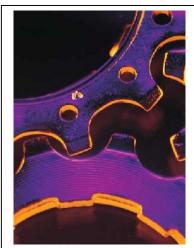
Each of the three force fields – *adversarial, transactional*, and *collaborative* – has a set of advantages and disadvantages, and a right time and place for using them. An adroit leader knows how to mix them together appropriately – but only if they are overt, appropriately positioned, and skillfully implemented.

For example, in dealing with highly *unethical* people, an *adversarial* approach may be appropriate. A business model like eBay or Amazon benefits from an efficient *transactional* system. But dealing in a prolonged adversarial manner with a critical union relationship will ultimately end in a *lose-lose* for both parties; a *collaborative* engagement will ultimately turn far better results.

#### How Senior Executives Unintentionally "Lock Gears" - Muddled Leadership

The grinding of the three systems of thought about cultural force fields is often seen in the following real example from a multi-national client company:

- the Chief Financial Officer comes from a *transactional* world seeking to maximize profits and shareholder value,
- the Chief Legal Counsel believes in hard-nosed litigation, risk-shedding contracts, and rough and tumble bargaining with the unions, promoting an adversarial frame of mind.
- the Operations Officer is fixated on *efficiency* and *lean production*, teaming up with the Procurement Officer, who squeezes vendors, to lobby the CEO for *lowest cost of production* (*transactional*). The holders of these views then lobby and find supporters within the senior ranks.
- the Chief Human Resources Officer is promoting a *collaborative* strategy embracing *teamwork* and *profit sharing* with employees.
- the Chief Innovation Officer is launching programs with customers to engage in *collaborative innovation* for better product/service creation and delivery to give the customer base more competitive advantage in the marketplace. In turn, the heads of Strategic Planning and Research & Development advocate forming alliances with disparate organizations to flow innovative ideas and solutions to the customer base
- the Chief Marketing Officer strongly holds an *adversarial* view of creating competitive advantage, believing in *wiping out the competition* and playing her direct reports off *against each* other to determine who will rise to be the "alpha male/female." However, the Head of Sales believes that the best way to increase revenue is *build trust* with the customers and imbed *customer relationship* representatives inside key customer accounts to *understand customer needs* and *improve communications and coordination*.
- the Chief Executive Officer (who is never neutral in this kind of scenario) was most concerned about increasing profits to drive up stock value (he was the largest shareholder), causing him to look at every action *transactionally*.
- the Founder & Chairman of the Board wanted high creativity, commitment, and teamwork from his organization (*collaborative*), and years before had set up an Employee Stock Ownership Program (ESOP) to engage employees and share the rewards.



When Adversarial, Transactional, and Collaborative Systems thinking is mixed, willy-nilly into an organization, the human energy is conflicted like grinding gears, causing stalemate, lots of effort with little leverage, resulting in non-value added work

At this point you must be asking:

"How does this dysfunctional company stay in business?"

Simple: Their competition is worse!

Trust will flourish in a Collaborative Culture; it withers in a Muddled Culture, and dies in an Adversarial Culture. This is what makes trust so fragile.

This is not an isolated example – in my experience it is the norm, not the exception.

#### Align the Senior Executive Team, then the Organization

At the outset of any transformation process, leadership must make a distinct decision as to the type of cultural force field interaction to be deployed. This is often overlooked, with dire consequences; all-too-often the choice of the "game" is a crude admixture of all three approaches, which "grinds the gears," muddles messages, and divides an organization against itself. For example, if the transformation intends to create more teamwork internally (*collaborative*), but beats up suppliers (*adversarial*), while showing little care and service for customers (*transactional*), managers and employees will be thoroughly confused as core values become disjointed.

Many businesses evolved willy-nilly, patterning an unholy, even perverse, admixture of *adversarial*, *transactional*, and *collaborative* cultural force fields. This perverse concoction can be seen in the construction industry, in the airline industry, and the auto industry. For example, compare the performance of Toyota, which aligned on a *collaborative* culture, with General Motors, that has been a confounding witch's brew of muddled cultures for years. Their 2009 bankruptcy had been fomenting for decades; it just took a recession to push it over the brink.

Let's be blunt: *adversarial* systems are highly dysfunctional, too filled with non-value added work, silos, useless control mechanisms, unproductive layers of management, and lack of customer-focused innovation, making them unsustainable and not competitive in the long run.

The primary way strategic force fields (culture) are developed and sustained in any organization is through *leadership*. Thus one of the first tasks of a senior executive is to *align* the senior leadership team and middle management into a coherent *collaborative* unit that promotes working together by:

- 1. Determining the **Core Beliefs** of senior leaders (see Table 1: Spectrum of Three Force Fields), then replacing any senior leaders<sup>6</sup> that are committed to *adversarial or transactional thinking*. This builds unity in the organization, teamwork across functional unites, and trust in both the leadership and the workforce. It takes a tough leader to decide who makes the cut.
- 2. Developing a set of **High Performance Values, Metrics, & Rewards** that support a *collaborative* force field. Then live by these, don't just give them lip service.

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<sup>&</sup>lt;sup>6</sup> Often this will require the removal/replacement of up to 50% of the senior leadership who are so engrained in adversarial or transactional thinking that they cannot support a new collaborative system. (see Gordon Bethune's book From Worst to First -- Behind the Scenes of Continental's Remarkable Comeback for an excellent example of organizational transformation from a CEO's perspective, shifting from an adversarial to a collaborative system. He didn't mix messages and confuse his team. And the turnaround was done in less than 18 months. (When a "clean" system is created, it doesn't take long. Long transformations are the result of not clearing understanding the nature of a clean collaborative strategic force field.

- 3. Establishing **Core Operating Principles** that guide *trustworthy interaction* between people, teams, cross-boundary/functional units, and external alliances.
- 4. Making **Collaborative Innovation** the source of co-creative energy, adaptation to changing environments, and competitive advantage in meeting emerging customer needs.
- 5. Linking the company into/through a **Value Network** that flows value, innovation, and competitive advantage from strategic supplier alliances, through the company into strategic delivery/customer alliances, resulting in the creation of unique value that increases customer competitiveness.
- 6. Ultimately making *trust, innovation*, and *teamwork* the "Central Organizing Principles" of high performance, high profitability, and high sustainability.

### The Four Drives of Human Behavior

The NUMMI Case presents a dramatic example of how different cultural force fields can draw out totally different behaviors from the same human beings. How can this be? How does this happen?

Let's go back to the analogy in the physical world where there are gravitational, electromagnetic, and atomic forces. Each of these forces has a set of pivotal elements and laws that determine how something responds to the force field. For example, in the gravitational force field, force is a factor of mass and velocity, governed by Newtonian laws. Similarly, the electro-magnetic force field is determined (in simple terms) of the power of the charge (voltage), distance, rotation/changing fields, and current flow.

Shifting the perspective back to human beings, based on extensive research into the neurological process of the human brain, along with the best evidence from psychology, sociology, and anthropology, we can conclude that while our brains are the most complex mechanisms on the planet, there are some basic circuits that control/drive our behavior, and different parts of the brain are assigned responsibilities for performing these functions.

Nearly every individual on the planet is imbued with four innate "drives" [see Figure 1] (these are the most important drives). These for the sake of simplicity have been arrayed in the form of a set of "vectors." The four drives are easy to remember: A, B, C, & D.

Each individual has their own distinctive blend of these four drives and typically manifests them in a manner that reflects their unique culture and personal experiences in life. These drives must each be reasonably satisfied and are independent of one another in the sense that fulfilling one does not contribute to the fulfillment of the others.

1) Drive to **Acquire** – this is the goal-seeking instinct, which includes seeking food, shelter, reproduction, pleasure, status, and control over one's environment. Attached to this drive are certain very *basic emotions* such as *desire*, *greed*, and *lust*.

2) Drive to **Defend** – the safety and protection instinct, defending ourselves from threats and aggressors, and assessing risks. Attached to this basic drive is the basic emotion of *fear*, and its derivatives such as *anger* and *vindictiveness*.

These two basic brain functions together are often termed "self-interest" or "self-preservation," and mostly use evolutionarily-old brain regions that humans share with fish and reptiles. When a leader triggers these two drives excessively, they become the primary drives of behavior – survival, anger, retribution, and revenge become paramount, while the *trust circuitry in the brain is severely inhibited*.

In the NUMMI Case, when GM ran the plant, management created a *force field* (culture) that consistently triggered the drives to *Acquire* and *Defend* in the workforce, resulting in the aggression, vindictiveness, reprisals, walkouts, and strikes.

Teams and alliances formed between groups whose culture is primarily based on the Acquire and Defend drives will inevitably be more distrusting – they lack the collaborative spirit.

However, there are two more drives that come into play. Our brains share certain functions that are common among all mammals. The most important one for our immediate purpose is:

3) Drive to **Bond** —the yearning to live and work in groups, such as teams or herds. This "communal instinct" is extremely important because it provides the natural desire for humans to *collaborate*, coordinating their actions for their mutual benefit, and the desire to work for the "greater good." Scientific studies have clearly demonstrated that this drive must be reinforced if trust is to be present. Associated with this drive are some of emotions exhibited by humans and a few higher mammals —love, empathy, caring, happiness, playfulness, loyalty, honor and gratitude, to name a few

A leader must consciously work to meet the needs of every human to balance or align the drives to *Acquire* resources and *Defend* one's turf (self-interest) with the needs of humans to *Bond* with others to achieve something they could not accomplish alone (mutual-interest).

By focusing on the *collaborative values, operating principles, trust systems, teamwork rewards*, and *measures* that influence the drive to *Bond*, a leader can begin to turn the tide and build a collaborative system

Humans also have high-order cognitive capacities:

4) Drive to *Create* – the unceasing impulse of humans to comprehend the world around them, to find meaning, to imagine a better future, to solve problems and puzzles, and to build new and better things. We see the drive to *Create* manifesting in children at a very early age; people are just naturally innovative. Attached to this drive are emotions we often call *spiritual* such as *inspiration*, *wonder*, and *awe*. It embraces the power of learning and the quest for knowledge.

This cognitive capacity to *Create* enables us to weigh, balance, and align the drives to *Acquire*, *Bond*, and *Defend*.

It is this very human drive to *Create* that every leader seeking *innovation* needs to support and catalyze along with the *collaborative* drive to *Bond*. In tandem, these

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<sup>&</sup>lt;sup>7</sup> Scientists have studied this quality going back all the way to the ancient Greeks and have concluded time and again that these characteristics all have served very important evolutionary functions to give mammals a competitive advantage over reptiles. A very small percentage of any species of mammal seems to be born without this quality. In humans we call these psycho- or socio-paths.

two drives give people a deeper sense of meaning and purpose. This gives leaders a "win-win" way to stimulate innovation: it benefits both the individual and the group. When the *Bond* & *Create* drives are mutually reinforced, trust and teamwork grow.

While the four drives operate interactively, each must still be satisfied in some reasonable proportion, otherwise people feel unfulfilled and empty. And if people feel unfulfilled, they will seek fulfillment of the drive that's lacking in some other way, even if it's a perverse application.

#### Designing Force Field Interaction with the Four Drives of Human Behavior

Recall that virtually all definitions of leadership call for the *influence of behavior*.

That influence can be exerted:

- adversarially with fear, threats, and strong arm tactics,
- transactionally with bargaining and cold efficiency, or
- collaboratively with teamwork, trust, and innovation.

The leader's task is to *design* the most effective cultural force field to bring out the best performance in the organization. A leader's every action either reinforces, suppresses, balances, or aligns the four drives with rewards and punishments. That's why the same individual may behave quite differently in different organizations, or why changing top leaders (or sports coaches) can produce radically different results within the same group of people.

In the NUMMI Case, under GM's leadership, the *force field* caused the *Acquire* and *Defend* drives to become predominant, while the drives to *Bond* and *Create* became subordinate (but not dormant), showing up in the formation of a tight-knit group called a "union" and imaginative sabotage techniques.

Toyota dynamically altered the force field, instilling a high **Bond** and **Create** culture in the plant based on trust, teamwork and innovation. In turn, the work force's drives to **Acquire** and **Defend** became supportive drives, manifesting as goal setting, quality control, and safety on the job. Toyota was careful to change the rewards, measures of success, and training programs to reinforce the new high trust/teamwork culture.

While personality and environment certainly do have an influence on behavior, probably fully two-thirds of all human behavior is more powerfully influenced by the *interaction* of the four drives of human behavior with the cultural force-field.<sup>9</sup>

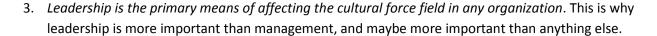
# Power of Collaborative Cultures

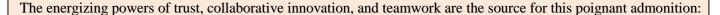
In my nearly fifty years studying and building high performance organizations, there are three overriding conclusions:

<sup>&</sup>lt;sup>8</sup> Psychopaths are defined as people without conscience; they lack empathy because their brains have an impaired capacity to process a specialized neuro-transmitter called "oxytocin." (Note: Darwin maintained that a conscience was the primary feature that distinguished humans from other animals. Darwin never intended the idea of "survival of the fittest" to be applied to human beings. See his book *The Descent of Man* for more details)

<sup>&</sup>lt;sup>9</sup> This explains behavioral conundrums like: why there was such a flourishing of innovation during the era of the Greeks, why the Dark Ages were so bleak, how the Renaissance came about, and how the German people could commit such heinous acts as genocide under Hitler's influence, to illustrate a few examples.

- 1. High Performance organizations start with *highly collaborative strategies to engage all parts of their value chain* internal and external in a collaborative way which transforms the value chain in to a value network. Their competitiveness against external rivals is derived from the cooperativeness within the value network.
- 2. High Performance organizations that sustain their advantage over the long term place great value on their people, culture, & the drivers of human behavior. In particular, they emphasize trust, collaborative innovation, and teamwork, always pushing the envelope with new ways to work together to produce more value for their customers, their company, and their alliance partners. Let's examine these three factors: (see Fig. 2: Factors for High Performance)
  - <u>Trust</u> is the essential behavioral foundation of all collaborative enterprise. Without trust, collaborative strategies, collaborative innovation, and collaborative execution (teamwork) is difficult, if not impossible.
  - <u>Collaborative Innovation</u> is the source code for all companies that must exist in highly competitive environments where the onslaught of capitalism's *creative destruction* prevails.
    Collaborative Innovation enables companies to be regenerative to transcend their past and reinvent their futures. Collaboration is necessary to unleash the collective creative potential of people. Collaboration occurs on a *foundation of trust*.
  - <u>Teamwork</u> is the coordinated effort through which high performance organizations deliver their value. Without teamwork, value can only be transactional at best. Most think of teamwork as primarily an *internal* function; this is an oversimplification. Teamwork is just as important *externally* with
    - suppliers, delivery partners, & customers external teamwork is called *strategic alliances*.





It's far better to invest in a company with a Grade A Leadership Team and a Grade B Strategy, than the reverse. – Pete Wickersham, Venture Capitalist Advisor

The Grade A Leadership Team will execute better, rise in the face of adversity, and create trust under pressure.

