

THE FOURTH FACTOR

Managing Corporate Culture

Linda Ford



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ADVANCE PRAISE FOR *THE FOURTH FACTOR*

“Culture matters. What Ford calls the fourth factor is at least as important as products, customers, and cash in getting results and generating shareholder value. Any executive who wants to successfully manage culture should heed the practical advice Ford provides.”

*Jonathan Schwartz,
CEO, Sun Microsystems, Inc.*

“My personal attention to culture, what Ford calls the fourth factor, has been important in building 1-800-GOT-JUNK? into an internationally recognized brand. Ford has done a great job of creating a book that allows leaders at all levels of the organization to lead more effectively by understanding and managing culture. A must read for executives!”

*Brian Scudamore
Founder and CEO, 1-800-GOT-JUNK?*

“Ford’s wonderful new book on the Gorilla of corporate culture is brilliantly practical, carefully thought out, and clearly written. To mix metaphors, the blind men (and women) can finally begin to see the sides of the elephant when it comes to culture.”

*Michele Bolton
Author of The Third Shift*

“This is an important work on a significant subject for serious leaders who want to grow extraordinary organizations. Dr. Ford elaborates with clarity and wisdom about the power of culture in any environment.”

*Nido R. Qubein
Chairman, Great Harvest Bread Company
President, High Point University*

“Linda Ford has finally provided an answer to every CEO’s question of “We’ve tried everything, and the problem persists. What’s wrong?” Read *The Fourth Factor*, and you’ll pick up that missing organizational link.”

George W. Kessinger
CEO, Goodwill Industries International

“CEOs, boards of directors, and Wall Street analysts should all be paying attention to *The Fourth Factor*. Ford’s view that leaders who don’t manage culture can’t successfully manage products, customers, and cash is dead-on. Buyouts, mergers, and other financial deals often fail to produce shareholder value because the leaders don’t understand culture. Anyone who cares about building shareholder value should read this book.”

Ross Garber
Cofounder, Vignette Corporation

“Ford really nailed the importance of harnessing organizational culture. Her practical explanation of how culture works is right on target and provides actionable insights for managers and human resource professionals alike. The examples and stories will help our management team see themselves in the role of culture leaders. This is an important addition to every leader’s bookshelf.”

Kay Stroman,
Vice president, Human Resources, Grande Communication, Inc.

“I’m giving every leader in my portfolio a copy of this book. It’s full of nuggets of wisdom aptly backed by real-life stories. Dr. Ford is savvy and street-smart with a deep foundation of knowledge. She speaks my language and understands my business problems.”

Ed Perry
General Partner, Murphree Venture Partners

“A very helpful, provocative book, which should be read by anyone wanting to bring a business into higher-level performance. Ford’s enthusiasm and brilliant use of metaphor as well as very real examples provide interest as well as solid information.”

Marjorie R. Barlow, PhD
Author of *The Possible Woman*

“Linda Ford delivers a message in her book that CEOs ignore at their own peril: an organization’s culture can and should be managed just like any other strategic asset. Linda provides real-world examples and real-world advice that is actionable—the rest is up to us.”

*Bill Daniel
CEO, Surgient, Inc.*

“Ford arms the individual with a manifesto on how to unleash employees’ creativity and energy. This book explains how you, as an individual, can affect change in an organization, taking culture into account. This an absolutely great read.”

*Ed Anderson,
Senior Vice President, Sales and Business Development, Digital
Standard, Inc.*

“Ford’s gorilla metaphor for organizational culture provides an image that anyone at any level of the organization can understand. And the tools to apply this knowledge are all right along side the gorilla in her book.”

*Steve Harper
Author of The Ripple Effect*

“*The Fourth Factor* offers our employees a means of exploring their personal views and attitudes about beliefs and behaviors that will influence the success of our culture building and sustaining efforts. Thank you for providing a practical text written for leaders, trainers, and our producers and service providers.”

*Jim Ronay
EH Systems*

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PREFACE

This book will help you if you:

- Think your organization can achieve greater results but haven't been able to attain those results yet
- Have been frustrated by your inability to drive change in your organization
- Are tired of wasting time on office politics
- Want work to be more fulfilling for you and your employees
- Are concerned about your organization's ability to attract and retain topnotch people as the talent shortage gets more severe.

In short, if you are a leader in an organization or if you want to be more successful, this book is for you.

Although organizational culture is a significant force in your organization, it is invisible. There's nothing you can point to as you walk down the hall and say, "There it is. That's the culture." That makes it hard to talk about. This book can help you start a conversation about culture and change with your team.

You'll often hear that culture change has to start at the top. My perspective is somewhat different. Everyone can be a leader. As a leader, your actions affect the culture in your organization. Granted the CEO's actions have a broader impact than a frontline manager's actions. Whatever your position in the organization, you can use your leadership to shape the organization in positive ways. Use the principles in this book to make your organization a better place to work and a more successful organization. Don't wait until "they" solve the problems. Step up to the challenge and be a leader.

If you are the CEO, the notion that everyone can lead by managing the culture has several advantages over the top-down model. It creates an atti-

tude of ownership for the success of the business throughout your organization. By partnering with willing leaders wherever you find them, you will develop the leadership capacity of your organization. Encouraging leadership everywhere will make change easier, whether it's top down or not.

What's Different About This Book

This isn't the first book to tackle the topic of organizational culture, and it won't be the last. There are four significant things that are different about this book.

Accessible explanations of how culture works: Most of the solid explanations of how culture actually works—where that 800-Pound Gorilla gets its phenomenal power—are buried in academic literature. Once you understand how culture actually works, you'll learn how to use that knowledge to manage culture in your organization.

From abstractions to nuts and bolts behaviors: When we talk about the key directives that drive your culture, we won't stop with high-level principles. I'll take you into the specifics of the behaviors that reflect these directives. Without that, any set of principles or directives can end up being just another set of pretty words.

Building a consistent culture with an overlay of diversity: Your corporate culture must thrive in a multicultural context. How do you create a consistent culture within your organization while taking the diversity of that multicultural context into account? In each chapter outlining a Gorilla directive, we'll look at the multicultural challenges and opportunities relevant to that directive.

Systemic approach: Organizational change isn't achieved through a set of independent ideas. It's an integrated, systemic approach. Too often, the practical business books take a very simplified, linear approach, leaving the systemic view to the academics. My approach is both systemic and practical.

This book draws on real “in the trenches” business experience along with powerful theories and models. The examples and stories are all real events from real organizations, drawn from my three decades of business experiences. The principles in this book represent an integration of what I've learned in helping more than one hundred organizations create positive change during the past fifteen years of consulting. To make the examples more concise and relevant, I've sometimes blended multiple incidents into one story to emphasize the point. In most cases, I've disguised the identities of both people and organizations.

Using This Book

Part One explains how culture actually works and how you can manage it. Chapter 1 provides a framework for understanding what culture is and how it functions. Chapter 2 reveals the principles of how the Gorilla's Guide supports and reinforces the culture and then explores the multi-track recording format used to create and update the Gorilla's Guide. You must understand this to successfully manage culture.

Part Two is dedicated to the six directives that must be embedded in your culture if you want your organization to achieve its full potential for success. These directives are the essential ingredients of a culture that drives success. Chapters 3 through 8 each cover one directive. The directive is translated to specific key behaviors and illustrated with examples from a variety of organizations. Each chapter addresses the challenges of working with organizational culture in a multicultural context, as well as other issues specific to that directive.

In Part Three, you'll learn how to lead your organization in integrating these directives into your culture. Chapters 9 through 12 reveal the three essential leadership actions of managing culture. After you've mastered that, the conclusion will wrap it all up for you.

You can read the book front to back or browse at random. It's all an integrated system, so dividing topics into chapters is simply an accommodation to the linear structure of a book. Read what catches your fancy. However, Chapter 2 is central to the logic of the book. If you skip around and find you are confused, go back and read that chapter.

Please, write all over this book if you disagree with what I've said, if the way I translate a directive into behaviors is different than how it would work in your organization, or when ideas for implementing these principles in your own organization occur to you.

Talk with other members of your team about the material. Share your margin notes with them. The more actively you engage with this material, the more you will move from studying the Gorilla to taming it.

For further resources, please visit www.FourthFactorOnline.com. And I'd love to hear about your ideas, additions, changes, and disagreements. Please e-mail me at Gorilla@FordBusinessConsulting.com.

I sincerely hope you will use this book to create a culture that supports your organization's success!