

Hello. This is Wayne Rivers at the FBI, and *We Build Better Contractors*.

This week, I want to talk about a terrific book, *Bet On Talent*. It's by Dee Ann Turner. And the full title is *Bet On Talent: How to Create a Remarkable Culture That Wins the Hearts of Your Customers*. And that's what we're all trying to do, right? We're trying not just to win business; we're trying to win our customers' hearts. The same loyalty we feel towards them, we want them to feel towards us. We want long-term relationships, not transactional kinds of business relationships.

Patrick Lencioni wrote the introduction to the book and he defines culture in a business context as people and the way they behave in the course of doing their work, which I think works pretty well. A simpler definition from another author is simply how people treat each other at work. And I think that might work even a little bit better. But we all talk about culture. It's important if you're going to talk about it and you're going to work on your culture, that you have some definition for what your culture is. So, what about this book? Why are we talking about this book? Why are we talking about culture? Why are we talking about talent, hiring, as it relates to culture?

Well, in this book, Dee Ann Turner makes about as concise a statement as I've ever heard, as it relates to people. She said, "People decisions are your most important decisions." I guess we all know that somehow instinctively. But to read it in black and white that way, people decisions are the most important decisions you can make. That really crystallizes it, doesn't it? So many times we treat people decisions, hiring and firing, as a necessary evil. We've got projects to do. We've got meetings to attend. We've got deadlines. We've got pressure. We've got all these things. Oh my gosh, we just lost a project engineer. Well, now I've got to stop what I'm doing, the important stuff, and I've got to go and try to hire somebody. Holy moly, what an interruption in my valuable time. That is so wrong-headed. People decisions are the most important decisions you can make.

Let's talk about culture. I want to talk about two sides of that coin. How do you know if you have a healthy culture? What are the signs? And what are the signs that you may not have such a healthy culture? And then we'll talk later about how to create a healthy culture. What steps do you need to take to work on your culture? Healthy cultures. Healthy cultures have an intentional focus on the people and on the culture. You've heard me talk about McDevitt & Street, the greatest construction company of which no one has ever heard, many times. And McDevitt & Street required that their senior executives devote 20% of their time, that's one day per business week, on their people. They had to demonstrate that they were focusing on mentoring, training, encouraging, providing resources for, et cetera, et cetera, their people. And that's 40 years ago. They were so far ahead of their time.

Think about that. If you required your senior execs to focus one business day a week on not tasks, not jobs, but their people, what benefits might you get out of that? Healthy cultures have terrific mission, vision, and values. Everybody knows them. They're discussed, they're embodied, they're taken to heart up and down and sideways in the organization. People have positive attitudes. They trust each other. They innovate. They collaborate. Healthy cultures promote transparency, team play, cooperation, and impact.

That's one of the things... We have lots of people, lots of our consultants, that have worked for much, much, much larger organizations than FBI. And so, I asked them, "Why do you want to come and work for a little pipsqueak organization like ours?" And in so many words, it always comes down to impact. "Here, we can see the impact for our peer group program or bootcamp or consulting. We can see the impact that we're having on construction companies." And that's such a valuable, motivating thing. When you see the impact of your day-to-day efforts, that just inspires you to go the extra mile and take on more initiative. Healthy cultures show appreciation for one another. And they have a sense of stewardship about the company and the company's resources. They know that they're representatives of the company and they take that seriously.

Now, flip that coin over. How would you recognize a toxic culture? My son and I were talking about this just last night. There's fear. Not fear that you're going to get punched in the nose or something, but fear that if you raise an uncomfortable issue, a project is way behind schedule, or you can't get a trade to come on the job site, or you've got a real problem going on, there's a fear to raise that issue. Because in top-down organizations like the one he happens to work for, it's like a ton of bricks fall on you when there's a problem.

That means that there's a lack of psychological safety. We've talked about psychological safety. In a psychologically safe organization, it's okay to bring up uncomfortable things. Because as Dennis says, you want to run to your problems, not run away from them. And so, in an environment with psychological safety, it's quite all right to bring up uncomfortable, or difficult, or challenging, or just troublesome things, because everybody in the organization wants to work as a team to solve problems before they get even bigger.

Turnover is a key indicator. Mike Flentje says that that's his number one indicator in a company with a bad culture. Lots of employee turnover. And I think that's true. There's a focus on compliance and enforcement of rules. So be at your desk at eight. I even talked to a friend at a funeral this week and she said that her daughter works in a company where she has to get permission to leave an hour early on Friday by demonstrating that she skipped lunch. Now, that is awfully heavy-handed, isn't it? That emphasis on compliance and enforcement and rules just strikes me in today's world as counterproductive.

There's a focus on profit more than there's a focus on people. I know business has to do with money. Money is the way we keep score in business. That's just a fact. But a focus on profits at the expense of people obviously indicates an unhealthy culture. Low employee engagement. Mistreatment of employees. That happens all the time.

And then finally, I would say an attitude of can't do. I can't tell you how many times in my daily life as a consumer, at the bank, or online, or having trouble with my cell phone or something, and I'm talking to people in the service industry and they say, "Oh, we can't do that." I don't care what you can't do. What I want to know as a consumer, what I would want to know as a consumer of construction services, what can you do? How can you help me? How can you resolve this problem? Don't tell me what you can't do. What can you do? How can you help? And in toxic cultures, it's always, we can't do that. We can't do that. No. How can you do something? How can you help your customer? How can you move the needle on behalf of the people you serve? Golly. How simple is it?

I guess what I'm saying is that healthy companies with healthy cultures promote principles more than rules. Okay, everybody has to have some rules, I suppose. But it's really your mission, vision, and values. It's your principles. It's the culture by which you live and your company. That's more important than enforcement and compliance and rules.

Now, you've decided, "Boy, I really want to work on our culture. I know we can do better. What are seven things that we can do to make our culture better here in our company?" First thing. It starts at the top. If you want a better culture in your organization, that means the organization's leaders have to make it their personal mission to work on it, to talk about it, to emphasize it, to preach the gospel of culture. And if senior leaders don't grab that ball and run with it, it's not going to happen. So, your next level of managers could have perfect sentiment in their hearts. We're going to work on the culture. But if the senior leaders don't walk the walk, walk the talk, whatever it is, if the senior leaders don't do it, it's not going to happen. It's not going to ripple throughout the organization. So, it starts at the very top.

The second thing is work on your mission, vision, and values. We've worked on our mission. We get together four times a year for strategic planning and we roll the plan forward. And we always think about the mission. How can we improve it? How can we make it simpler? And we've got it down to such a simple statement now. I don't know how we can get it any more concise, but we're going to continue to work on it. And that is, we build better contractors. That's as simple as a mission can get. If your mission is one of those that's six paragraphs and you strive to do something, first of all, take the

word strive out. Nobody uses strive in normal conversation. Really. Anyway, don't strive. Make your mission so simple, make your values and your vision so simple that everybody on the team can recite it at a moment's notice. And it resonates with them in their hearts and souls.

The third thing is you want focus on getting better not just getting bigger. Everybody wants higher volume. We want our volume to go up 15% next year, whatever. We want growth. There's a lot of ways to grow. There's a lot of ways. Forget about volume for a second. Why not grow your gross margin? Why not grow your net margin? That's good too. Why not grow the engagement level of your employees? Why not improve morale in the organization? There's lots and lots of ways to grow without necessarily growing on the bottom line. So better is a focus in companies with healthy cultures, not just bigger. Bigger isn't always better, right?

If you want to have a healthy culture, focus on your people relentlessly. How can you help them? We talk about servant leadership. How can you help your people do their jobs better, faster, more efficiently? What equipment, technology, tools, additional help do they need? Focus on being a servant leader and how you can help the other people in your organization get more of what they want so they can serve their customers better.

We talk about the experience economy. This is the fifth tip. You've heard Dennis and me talk about *The Experience Economy*. Great book, get it, read it, take it to heart. Why not focus on improving the experience of not just your customers, but your employees too. How can you remove obstacles from the way they do their jobs? How can you make life easier for your employees? What can you do as the leader to pave a path for them to be able to do their job better, more efficiently, faster, however you want to phrase it? Think about your employee experience, not just your customer experience. The sixth one, we talked about servant leadership. How can you help them?

The seventh is appreciations. Every meeting that we have, we start with appreciations. Because generally, people say thank you. That's great, but we want to take it to a different level. We want to make sure that we just don't say, "Golly, y'all worked really hard last week. I sure do appreciate that." We want to know specifically who did what, when, and why was it important to you? And so, every meeting starts off with appreciations. And first of all, it gets your meetings off to a great start, but it lets people know that the little things they do are important because they add up to big things. So, appreciations is a key driver, I would say, if you want a healthy, happy culture.

So, you've heard us talk about, that's me and Dennis again, talk about our friend, Arlin, our peer group member, and his daily blog. And Arlin asked the question, and I think it's a really good one, do you want to build an organization, or do you want to build people that help you build your organization? I think the answer's obvious. So, I'd like to hear from you all, what are you doing? What innovations are you doing in terms of improving the quality of the culture in your company?

This is Wayne Rivers at FBI, and *We Build Better Contractors*. Thank you.