

Hello, this is Wayne Rivers at The Family Business Institute. Thanks for tuning into our weekly blog. Scroll down below and take a look at the social media icons, and subscribe to us on Twitter, and our podcast, and all those things. And, as always, we would love to have your comments, and suggestions for future blogs, anything that you think might be really interesting to our family business audience.

This week I want to talk about the difference between a performance culture and a growth culture, and maybe which is the better alternative. Entrepreneurs are all about results, they're very bottom-line and results and outcomes driven. They tend to value hard work, and outcomes sometimes at the expense of the soft side of their organization. So, I want to distinguish between two kinds of cultures. A performance culture, which is pretty typical in family businesses and entrepreneurial firms, and then a growth culture which I think maybe adds a little bit more to a culture.

In a performance culture their values are knowledge, expertise, intellect, experience, providing challenges, being driven, and identifying winners and losers. This is a great project manager, and this is a poor project manager, and so the great project manager gets more of my time and attention, et cetera. Or maybe it's the other way around.

A growth culture, by distinction, also has those qualities. We're not saying those aren't desirable qualities to have in your organization, but what a growth culture adds is safety, I'm going to come back to that in a minute, continuous learning, feedback loops, and frankly how people feel. I know coming from me that sounds a little funny to some of you, but it is important in terms of deciding what kind of culture you want to have, and then identifying how that culture works for your people, and gauging how they feel about it.

Now, going back to safety. I don't mean physical safety. The parking lot doesn't have broken glass all over the ground, and they're not going to be assaulted on the way to the front door, and they're safe from the elements, and have comfortable working spaces, and all, that's not the kind of safety I mean. What I'm talking about is psychological safety where you're not going to get smacked in the head if you make a small screw up, you're not going to get kicked in the butt because you made a mistake. Psychological safety simply means that the culture allows for risk taking, and making a few mistakes without being brutalized. It doesn't mean that people aren't held accountable, it just means that the culture is understanding of mistakes. We don't reward them, but we don't have huge, horrible, severe punishments for them either. People are safe to stretch a little bit, and get out of their comfort zones, and make a few decisions that otherwise they may not make.

In either organization there's a delicate balance between challenging your people, and nurturing your people. If you challenge them too much too often you're going to break them down, you're going to burn them out. If all they get is a challenge, challenge, challenge you're going to burn them out. On the other hand, if you don't challenge them enough people stay in their comfort zones, they don't grow and learn, and add value to the organization over time, they just plateau. That's not so bad, we all need role players, but at the same time we want to make sure that we have enough challenge for our people.

Family business leaders are some of the most intense people you're ever going to meet, they are just driven, and focused, and so results oriented. I remember reading a story one time ... and I was that way too when I was a younger fellow, I would come to work almost angry in my intensity every day. I would be laser focused, and check the things off my list, and the people around me didn't even matter. If somebody came into my office when I was deep into a project it was almost like don't interrupt me, I'm focused on something now. People are more important than tasks, that's one thing it's taken me a long time to learn. People are more important than tasks.

I heard a speaker one time, I was at a meeting, and I heard a speaker say, "You know what? I used to be intense, and I would come into the office angry every day, and then I said, 'You know what? Why can't I be a happy achiever?'" It was a transformational thing for me, I was like, "Hey, that sounds really good. Why can't I be a happy achiever and let that happiness flow throughout the culture? Why can't we have fun at the same time that we're setting new sales records, and new customer satisfaction records, and all these other things?"

Think about it this way, if you want to transform the culture in your organization from being a purely performance culture to be more of a growth mindset and a learning mindset think about less of kicking butt, and just being a driving taskmaster, and think more about being a happy achiever, offering more pats on the back, and appreciations for your people, and saying, "Atta boy," or, "Atta girl," when somebody does a good job. It's as simple as that.

This is Wayne Rivers at The Family Business Institute. Thank you.