

## Plantline Management Column

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### **Create a Culture that Attracts and Retains Talented People**

It seems that managers in every organization I visit are faced with the same challenge. How to attract and retain good people. They are also starting to recognize that their organization's culture has an impact on their staff retention levels. But I don't think that there is sufficient understanding of the factors that combine to create an organization's culture.

Before we look at these factors, I would like to give you an example of a company that has created a great culture. In fact it is so good that they have a two-year waiting list of people wanting to work there. Their staff turnover is negligible, so the only chance people on the waiting list have is for the company to grow... and grow they do. The company is Johnsonville Foods from Sheboygan, Wisconsin, a sausage maker. Yes, sausages... their specialty is bratwurst!

Current CEO Ralph Stayer took over the business from his father in 1978 and launched the company into major expansion. As a result Johnsonville Foods increased sales from \$15 million in 1982 to \$130 million in 1990, boosted its market share from 7 percent to 40 percent, and experienced a 200 to 300 percent boost in productivity. It was during this time that Stayer transformed the culture of his organization, as he put it, from a "herd of buffalo to a flock of geese".

He saw the similarity between his situation and that of a buffalo herd in which the herd simply follows the lead buffalo anywhere... even over a cliff. In contrast to the buffalo, in a flock of geese, each goose is responsible for getting itself to the flock's destination, but they work as a team to get there. When the lead goose gets tired, another goose moves forward to take its place, ensuring that the "team" arrives at their destination. To help Johnsonville Foods transform itself from a herd of unquestioning followers to a more empowered workforce, Stayer stopped merely delegating work and instead transferred ownership of the customer relationships to the organizational members... yes members, not employees.

Johnsonville's growth has continued at an astounding rate with sales reportedly passing \$1 billion in 1999.

Before you can change the culture in your organization, you need to understand what it is. Your culture is an expression of the prevailing values or beliefs that people operate by. If you have an "us" versus "them" culture, it is an indication that employees are operating on the belief that management are against them, not for them, and you will not change that culture until you change that belief.

If you have a culture where people do not accept responsibility for their work, always blame someone or something else when things go wrong... nothing will change until you change their beliefs about who is responsible.

Is that possible? Ralph Stayer believed so. He explains how he transformed the Johnsonville culture in his article in Harvard Business Review (November 1990) *How I Learned to Let My Workers Lead*.

But before he could "let them lead" he first of all had to change his belief about people. If you don't believe that people want to be responsible, you won't ask them to take responsibility. If you don't believe that people can be trusted, you won't trust them with responsibility.

And that's the key to changing an organization's culture... understanding that it starts at the top, with management's beliefs about people. Beliefs shape behavior... and management behavior creates the environment or culture that people work in.

As Stayer put it, the turning point for him was the realization that "... people want to be great. If they aren't, it's because management won't let them be." Only then could he "let his workers lead" and actually expect that they would start to take responsibility for their performance and the quality of the products they produced. He has created a culture that has been built on a bedrock of trust, shared vision, and a common set of values. And not only has he created a *great place to work*, the quality of their products and customer relationships have produced financial results to die for.

There are two critical steps in starting to create a great culture:

1. Measure your existing culture or environment, and...
2. Identify what management's beliefs are about people and what they are capable of.

There is a lot of hard work to do after that... but no amount of work will achieve any change in culture until these two steps have been taken.

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