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Journey to the Emerald City

Achieve a Competitive Edge by Creating a Culture of Accountability®

THE SUMMARY IN BRIEF

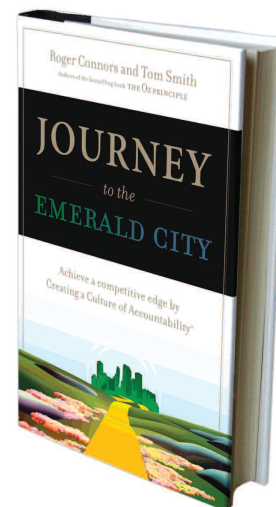
An organization will perform at its highest potential if, and only if, each of its members assumes personal accountability and ownership for achieving the organization's results. When people assume personal accountability for achieving the results, powerful transformations occur: A goal becomes an *organizing principle*, a job becomes a *mission*, a task becomes a *challenge*, a company becomes a *team*, and a manager becomes a *leader*. Nothing can benefit an organization more than creating a culture imbued with this kind of ownership and accountability.

To create a Culture of Accountability you must lead people in a way that fundamentally impacts the way they think and act. Introducing The Results Pyramid® Model as the key culture management tool, co-authors Roger Connors and Tom Smith build on the foundation laid in their bestselling book, *The Oz Principle*®, by documenting exactly how leaders dedicated to needed culture change have reaped the rewards of record sales and their largest gains ever in market share, profits and stock prices.

Journey to the Emerald City, describes the process for Creating a Culture of Accountability® that energizes every level of the organization, from the senior management team to the front-line worker, and, most importantly, it outlines the best and fastest way to create that culture so that you can quickly begin enjoying the results of a greater competitive advantage.

IN THIS SUMMARY, YOU WILL LEARN:

- How to manage the cultural environment of your organization more actively.
- How to accelerate the transition to a new, more effective culture.
- Practical methods for gaining people's wholehearted commitment to achieving organizational results.
- A powerful framework for understanding and changing a company culture.



by Roger Connors
and Tom Smith

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by Roger Connors and Tom Smith

The authors: Roger Connors and Tom Smith authored the best-selling book, *The Oz Principle®: Getting Results Through Individual and Organizational Accountability*, 10th Anniversary Edition and their most recent book, *How Did That Happen?® Holding People Accountable for Results the Positive, Principled Way*. They are also the principals and founders of the widely respected international leadership and management consulting firm Partners In Leadership, Inc. Connors and Smith both hold MBAs from Brigham Young University.

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PART ONE: UNDERSTANDING COMPANY CULTURE

Before you can change something as interwoven as organizational culture, you must first understand its components and how they work together. Effective leaders, consciously or unconsciously, manage the beliefs and actions of their people so they will produce the results that the organization must achieve. The Results Pyramid, a practical model of organizational culture, will help you accelerate desired and needed shifts in your culture.

Accelerating the Journey

Continuing the metaphor of Frank Baum's story, *The Wonderful Wizard of Oz*, used in *The Oz Principle*, the journey that every successful organization must take includes laying out a clear and simple path that accelerates any needed change in the culture of a team or organization, one that will produce the right organizational results.

Anyone who wants to work in an effective organization needs to understand that consistently achieving results — usually more and more difficult results to achieve — requires an organizational journey that channels individual and group efforts, energy, actions and thought in a targeted, precise manner.

Creating a culture that achieves an ideal level of precision is not only **obtainable**; it is **mandatory** in today's difficult economic environment.

A Company's Culture

Four central principles drive the cultural transformation from the wrongheaded ways that reinforce all the wrong messages about how someone should think and act to the ways that empower people to achieve great results:

- An organization's leader must create its culture.
- The organization's culture will create its results.
- A Culture of Accountability is the most effective culture and is defined as people at every level of the organization who feel accountable to think and act in the manner necessary to achieve organizational results.
- Accelerating the transition to a Culture of Accountability creates competitive and organizational advantage.

Culture Creates Results

An organization's culture determines the results it achieves. Since leaders should build their company's culture around targeted results, they may need to change their culture as business conditions change and they define new results for the organization.

Recognizing the link between desired results and needed culture is the first step in the journey along the path to achieving and sustaining success.

Management must accept creating the right culture as one of its most serious responsibilities. That best culture, a Culture of Accountability, requires a heightened sense of personal accountability shared by everyone at every level of the organization.



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Many managers misunderstand accountability when they rely on the Webster's dictionary definition of the term: "the state of having to report, explain or justify." But that definition only motivates *blamestorming*, an all-too-frequent corporate behavior.

A better definition of accountability is "proactively seeing the reality of a situation, personally owning the existing circumstances, relentlessly looking for ways to solve the problem and consistently following-through to make things happen before it's too late."

When that kind of accountability drives a Culture of Accountability, it greatly influences the way people think and act in order to achieve desired organizational results, and it quickly begins to propel progress and increased profits.

In a Culture of Accountability, everyone in the organization assumes a high level of personal ownership to change what needs to be changed and to do what needs to be done, even if that means a dramatic departure from past practices and behavior that once served the organization well but no longer do so.

Every organization creates its own unique Culture of Accountability, depending on the results and actions it needs to achieve its current objective and long-term mission. Knowing how to identify and accelerate the shift to that culture, is embodied in the simple and powerful Results Pyramid model.

The Results Pyramid®

The Results Pyramid model spells out the key elements and workings of organizational culture. It consists of three simple interrelated components that form the culture of any organization: **Actions**, **Beliefs** and **Experiences**, all of which work together to produce the company's culture, which, in turn, produce the company's results, the fourth and final element of the model.

Results are the outcome of the actions we take — and our actions always produce results, whether they are the results we want or not. These results appear at the very top, or point, of the pyramid.

Our actions stem from our beliefs about what we should and should not do in the organization, and our experiences, both inside and outside the organization, shape our beliefs. These experiences form the broad base of the pyramid, with beliefs, then actions, stacked above.

Hypothetically, suppose R^1 describes the results your organization is currently achieving. According to the Results Pyramid, your current Culture (C^1) produces R^1 . C^1 includes the Actions (A^1) people currently take; the Beliefs (B^1) people currently hold about how to

Results and Culture Change

The following four criteria will help you determine if you have a significant culture change effort in the making:

- **Difficulty.** If R^2 (future results) will require a lot more effort to achieve than past results, then you will probably need to make significant shifts in some aspects of your culture.
- **Direction.** If R^2 signals a change in direction for the organization, then this may also require significant cultural change.
- **Deployment.** If R^2 demands a large-scale redeployment of people or other resources, then a significant change in at least part of the culture may be necessary.
- **Development.** If R^2 suggests developing a new capability, then then you are likely to face a significant culture shift.

think about their work and what to do and not do in the organization; and the Experiences (E^1) that form the basis of those beliefs — real occurrences that people experience either directly or indirectly, ones that have happened years ago or just yesterday, that form their impressions about everything from how to handle a disgruntled customer to whether or not to ship a product on time.

One president of a major pharmaceutical firm liked to say to his team, "Every one of us is creating the culture of this company every day. As a manager, everything you do, everything you say, everywhere you go in the organization leaves a footprint on the culture of this place."

Each person's passage through a company will affect people in it for better or worse, every single day. ●

PART TWO: SHIFTING TO A NEW CULTURE

There are practical steps you can take to identify and implement the shifts that must occur in your organization. Before you can get people to embrace new culture, you must shift the four major culture components — Results, Actions, Beliefs, and Experiences.

Defining Results That Lead to Success

When managers effectively lead an organization to a new culture, they move people through a series of sig-

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nificant shifts driven by the need to stop doing certain things and to start doing other things. Most management teams are working to achieve some set of future results (R^2), which represent a change from the *status quo* (R^1). Seldom can an existing Culture (C^1) achieve R^2 without changing the ways people think and act (i.e. shifting to a new Culture (C^2)).

If R^2 involves an ambitious increase in revenue and margins and/or major cost reductions, you must ask yourself, “Will the C^1 produce R^2 ?” If not, then you must ask another crucial question, “What shifts need to occur in E^1 , B^1 and A^1 ?”

By defining E^2 , B^2 , and A^2 , you define the new culture, C^2 , which will produce R^2 .

Quite simply, a culture shift changes the way people think and act in order to achieve a new result. Once you define the new result, you can then identify and create the actions that will produce those results, the beliefs that will motivate those actions and the experiences that will foster those beliefs.

Results That Create Alignment

When beginning the shift from C^1 to C^2 , you specify results that create and maintain alignment at every level of the organization. Keeping a culture aligned around results involves three steps:

Step 1: Clearly define the targeted result.

Clear goals create focus. People know what they’re working for, and they know when and if they succeed. They also develop a sense of what they need to do and a willingness to do what it takes to achieve a clearly defined result. Unclear goals promote cynicism. People are not fooled by managers who avoid setting clear, meaningful goals due to incompetence or a desire to dodge accountability.

Step 2: Drive the result throughout the organization. At times, management has a clear result in mind but fails to communicate it effectively or completely to everyone in the organization. For an organization to get and stay aligned around a result, everyone must recognize and understand it. They must understand what the result is and see clearly how their own work will contribute to the achievement of that result.

Step 3: Hold people accountable for achieving results, rather than for doing their jobs.

Organization charts and job descriptions push people into boxes. They give people the idea that they are getting paid and using their skills to perform a defined function or set of tasks. This can lead people to believe

What About Backsliding?

Behaviors do not change overnight. Some people will comprehend and act on the new set of beliefs more quickly and effectively than others. Yet even those people may backslide from time to time.

Clear and constant feedback will go a long way toward curbing any tendency to revert to old behaviors, while at the same time helping people maintain a high level of buy-in and follow-through with respect to the new behaviors. That’s the only way you can confidently change the way people think.

And changing the way people think is what culture shifts are all about. If you want to shift your culture quickly and effectively, work with the bottom of the pyramid — Beliefs and Experiences!

that if they perform their functions they’ve done what they’re supposed to do, whether or not the result was achieved. Effective leaders manage their people so that their “job” is to achieve results. The daily activities that comprise people’s jobs must align consistently with the targeted results.

If you take these three steps and actively foster a sense of personal accountability for the results you want to achieve, you will have taken a major stride in the journey toward Creating a Culture of Accountability, where everyone holds everyone accountable for results. ●

Generating Action That Gets Results

Accelerating a shift in the way people act requires a clear understanding of what you need to stop doing, what you need to start doing, and what you need to keep doing. Determining these actions will help you identify what you need in C^2 . When doing so, you should ask yourself, “How will your ability to achieve R^2 results be compromised if we do not generate the stops and starts on our list?” The answer to that question will enhance your motivation to make the right things happen.

If you think this sounds easy, think again. It is tempting to think that management can list everything that people need to stop doing, start doing, and continue doing and feel that they have achieved a level of definition necessary to enact a culture change. It may be a good start, but it is not enough to generate action that gets results and will accelerate the culture change.

Figuring out and staying focused on what to start,

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what to stop, and what to keep doing requires vigilance and hard work.

Management must create an environment in which people at all levels continually ask themselves, “Given the results we are seeking, what should I stop, start and continue doing?” This approach will create the necessary ownership not only for determining the right answers, but also for buying-into and following-through on doing whatever it takes to achieve the results. ●

Identifying Beliefs That Produce Action

Organizational culture is comprised of a system of beliefs. You can’t come up with just one belief, promulgate that belief and expect it to motivate the right actions. Rather, you need a set of beliefs that work together as a system.

Every company must go through its own journey of self-discovery in order to understand its current beliefs and to develop new, needed beliefs. One useful product of that process is a Beliefs Statement, which every company should develop before undertaking a culture shift.

Shifting Beliefs

Every organization operates with a set of commonly shared beliefs about how the organization functions, what people should and should not do, and how they should and should not do it. Shifting those beliefs boils down to changing how people would describe “the way things are done around here.” If you can accelerate the transition from B¹ to B², you will more quickly shift the accompanying actions people will take all across the organization and obtain the competitive edge you seek. In a nutshell, successful cultural transition hinges on shifting beliefs.

Creating the Road Map: A Cultural Beliefs® Statement

Consider the last new hire in your organization and imagine that you could script what people would say to this newcomer during a get-together at lunch on their first day. The recruit asks, “How do things really work around here?”

What would you want your veterans to say to this new employee? What are they saying? Do they offer views that describe behavior you need people to stop demonstrating all throughout the organization, or do they state shared beliefs that describe the actions you need people to start taking today?

Management teams dedicated to accelerating a needed

cultural shift capture the beliefs they need people to hold, the beliefs they need people to share with every “new hire.” A clear, concise and compelling Cultural Beliefs® Statement can make that happen — a cultural road map for how you need people to think and act in order to get the desired R² results.

No one person crafts a good Cultural Belief Statement. Rather, it is the product of group interactions in which the management team describes the key B² beliefs that the organization needs to create. The statement may also include any key beliefs that already exist in the organization that must remain in place to perpetuate your success. It must, however, capture what will propel your organization, department, group, or team to progress toward R² results. ●

Creating Experiences That Instill the Right Beliefs

Of course, culture change involves much more than merely crafting and distributing a Belief Statement. Real change requires that leaders (and eventually everyone in the organization) create experiences aimed at shifting, creating or maintaining desired beliefs. Experiences, more than anything else, convince people of the power and validity of beliefs.

Effective leaders create useful, consistent, powerful experiences for people at all levels in the organization. Managers who cannot do so invariably find themselves at the mercy of their culture, particularly when the going gets rough. *Manage your culture, or it will manage you.*

Four Types of Experiences

To transform an organizational culture or to add new elements to a fairly solid one, you need to start creating new experiences consistent with desired beliefs.

Not all experiences are equal. Many leaders attempting major culture shifts have found that, at first, the experiences they created did not change people’s beliefs. With a little coaching, however, they learn to appreciate the four basic types of experiences, each of which impacts results differently:

- **Type 1:** A meaningful event leading to immediate insight. Type-1 Experiences are so clear they need no interpretation in order to foster desired beliefs.
- **Type 2:** An experience that needs to be interpreted in order to form the desired beliefs.
- **Type 3:** Experiences that will not have an impact on prevailing beliefs because people perceive them as insignificant.

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- **Type 4:** Experiences that people will always misinterpret, regardless of the quality of the explanation that is given.

To help people shift their thinking and adopt new B² beliefs, you must generate Type-1 and Type-2 experiences.

Type-1 Experiences establish beliefs powerfully and unmistakably. Most cultural shifts require several of these. In reality, you will undoubtedly create quite a few Type-2 Experiences, which require careful interpretation. If you provide accurate and convincing interpretations, your people will learn what they need to learn from those lessons. ●

PART THREE: ACCELERATING CULTURE CHANGE

There are some proven tools and practices that can enable you as a leader to consciously accelerate the cultural transition and focus effort to speed the journey. Leadership is the act of managing the culture and accelerating the change. Leaders can successfully make the shift happen when they use the right tools.

Using Focused Feedback® to Accelerate Change

Focused, ongoing feedback is a tool that can speed your organization to a new, more effective culture, provided you relay the right kind of feedback and use it well. To accelerate culture change, you must give frequent, focused and unfiltered feedback.

Frequent means daily, continual and ongoing.

Focused means concentrating on the beliefs the organization has agreed to adopt and the results it has committed to achieve.

Unfiltered means adopting an inviting posture to help people remain open to feedback.

You must take great care to give and ask for feedback the right way. When you ask for and offer reinforcing and constructive feedback, people will willingly and are even eager to correct any shortcomings. Such feedback emphasizes both what is working and what could be working better.

Ask for feedback by saying, “What feedback do you have for me?” and when you receive some say, “Thanks for the feedback!”.

Evaluating Feedback

When evaluating the feedback you receive, always ask

yourself, “Is this a belief I want people to hold?” and “If people do hold that belief, how will it affect their actions and our results?” Seek input from others objectively.

Feedback is simply the belief someone is holding — it’s input, information, a point of view, and someone’s honest opinion about what they believe. If that belief motivates the behavior and actions the organization needs, great. If it doesn’t, then you need to work to change the belief that person holds, rather than deny its existence or punish the person who holds it.

Feedback is a tool for accelerating culture change only when people act on it. By employing feedback within the context of the Cultural Beliefs, you can help people gain a clearer sense of how they are demonstrating those beliefs and what they can do to further demonstrate them. In this way, they can adjust the experiences they create in a way that accelerates the transition to a Culture of Accountability. ●

Aligning a Culture for Rapid Progress

Organizational success depends a lot on creating and maintaining alignment during any organizational effort, especially when you are trying to effect a cultural transition. Because so many forces conspire to push the organization out of alignment, leaders must continually pay attention to alignment.

Effective leaders consider four levels of ownership and alignment:

- **Buy-In/Invest.** This top level represents a high degree of ownership; they are intellectually and emotionally committed.
- **Comply/Concede.** People intellectually disagree with or are uncertain about the endeavor, but they are emotionally invested enough to take action.
- **Exempt/Excuse.** People agree intellectually but do not involve themselves emotionally.
- **Resist/Resent.** People disagree intellectually and remain emotionally uninvolved with the course of action or desired result.

The strongest alignment occurs when people operate at the highest Level of Ownership, buy-in/invest. While a large percentage will reside in comply/concede, and that may be sufficient to get some things done, leaders should help all the people move to one of the top two Levels of Ownership. This will make the difficult task of culture change achievable by helping them understand the change

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and getting them involved in it.

When people buy-in and invest, they engage their hearts and minds in the change effort and actively promote it. Their efforts will range from supporting or advocating the change to championing or even sponsoring it.

The Alignment Process

A reliable alignment process incorporates five key elements:

- 1. Participation.** The appropriate people are involved. You need the right people engaged. You must help them to understand their roles.
- 2. Discussion.** All participants are heard prior to reaching or implementing a decision. The participants need to understand that they are there to offer counsel, their advice, input, views and the benefit of their experience.
- 3. Ownership.** All participants actively promote the decision.
- 4. Communication.** The “message” regarding the decision is consistently communicated to all appropriate individuals.
- 5. Follow-Up.** All participants follow-up to ensure alignment is maintained.

When cultural transitions or other major business initiatives do not succeed, you will often find that lack of alignment often contributed greatly to the failures. At some point, most often at the ownership or communication stages, a breakdown occurred. On the other hand, when management properly applies all five elements, the chances of accomplishing a shift to C² increase dramatically. ●

Employing Leadership to Move the Change Forward

The philosopher Georgi Ivanovitch Gurdjieff observed that most of us “sleepwalk” through life. When it comes to creating culture, many managers look like “sleepwalkers,” and, for that matter, “sleeptalkers” as well.

If leaders move unconsciously through the organization, not paying attention to the experiences they create with both their words and actions, then they most likely will not create experiences that fuel a robust and effective corporate culture; but will create experiences interpreted by the organization in ways that actually undermine their goals and objectives for the organization.

Leaders, consciously or not, create experiences every

One Company's Belief Statement

DECISION MAKING

I step up to the plate and make decisions I should make and I take accountability for the results.

PEOPLE ORIENTATION

I treat customers, employees and suppliers as I want to be treated — with honesty, courtesy and respect.

COACHING AND FEEDBACK

I invest time seeking, understanding and giving honest feedback to people I work or associate with.

PURPOSE AND DIRECTION

My daily activities are aligned with the purpose and direction of our organization.

INVOLVE AND SHARE

I look everywhere to involve the right people, inside or outside my unit, in developing and implementing the best ideas and solutions.

CUSTOMER FOCUS

I seek to understand and to meet or exceed customer expectations 100 percent of the time.

COMMUNICATION

I communicate what's going on and why within my area of responsibility so that all people hear the same message.

OWNERSHIP

I own my budget. I focus my priorities to exceed my budget regardless of the obstacles that come up.

ACCOUNTABILITY

I operate Above the Line[®] by seeking opportunities to accept challenges and solve problems, realizing that I own the responsibility for the outcome.

(figure 5-7, from page 116, Journey to the Emerald City)

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day, and these experiences can propel or derail their effort to establish a culture of high-achievement by either reinforcing the desired culture or not. Will you unconsciously create the wrong ones and court failure, or will you consciously create the right ones and enjoy unprecedented success?

A Methodology for Creating Experiences

Leaders take on a real challenge when they set about to create experiences that will facilitate a change to C²: demonstrating the new beliefs in a way that fully enrolls people in the new culture who are steeped in C¹. Fortunately, they can do it relatively quickly with a proven methodology that opens up just the right kind of dialogue. That dialogue leads to the E² Experiences needed to reinforce B² Beliefs.

Modeling beliefs, that is, practicing what you preach and creating experiences that promote C² Culture, will come more easily to some managers than it will to others. Leaders who openly work on shifting the experiences they create, turn themselves into accelerators of change.

People find it powerful when leaders themselves shift. Leaders who do this well position themselves to help others make even the most difficult shifts and live the Cultural Beliefs. ●

Enrolling the Entire Organization in the Transition

Few culture change tasks prove more daunting than enrolling the whole organization in the change in a way that speeds up the transition, particularly for a company with multiple functions, locations, divisions and, perhaps, multinational operations.

Nine rules for accomplishing large-scale culture change and accelerating the transition will serve such organizations well:

1. Use an integrated process.
2. Start a dialogue with the organization.
3. Allow for subcultures.
4. Start at the relative top.
5. Work with intact teams.
6. Create a process control.
7. Apply the change globally.
8. Assist the walking wounded.
9. Align organizational systems.

In any large-scale change the challenge is to get everyone on board. When you have strong subcultures, foreign operations, or low morale, that chal-

Methodology for Creating Experiences

Use these five steps to accelerate a shift in beliefs:

- Step One:** Identify the belief you need to change.
- Step Two:** Tell people the belief you want them to hold.
- Step Three:** Describe the experiences you're going to create for them.
- Step Four:** Ask for feedback on the planned experience.
- Step Five:** Enroll others in giving you feedback on your progress.

lenge becomes even greater. Using at least several of these practices will accelerate your company's transition to the new culture.

No one in business today, or in any other endeavor, believes that organizations will be able to stop changing. In fact, the need for change can only increase.

Culture change happens one person at a time. You accelerate a change in the culture when you engage the hearts and minds of everyone in the endeavor and they begin to ask themselves: What are the results that are most important to achieve? How must I think and act in order to produce them? What do I want those around me to believe about how they need to think and act? How can I create experiences that foster those beliefs? Of course the process begins with you.

Managers get results through others. Yet they cannot simply ask or order people to take the actions they should. Instead, they must lead people to do them. Leading people, in the true sense of the team, means creating experiences that reinforce a Culture of Accountability. There is no power like the power of people who assume personal accountability for achieving a collective goal.

The process of creating and accelerating the shift to a Culture of Accountability is not an ambiguous or magical process that defies explanation. It results from taking the steps that engage everyone in the organization to live the beliefs, create the experiences and perform the actions that will produce results.

Creating this level of ownership and participation will certainly speed you on your way to a destination abundant with the results you now seek. ●