The Culture Code by Daniel Coyle
Introduction
Notes by Luke Gromer

<u>The question:</u> "Why do certain groups add up to be greater than the sum of their parts, while others add up to be less?"

<u>Spaghetti experiment</u>

- Contest to build the tallest structure with:

  - 20 pieces of dry spaghetti
  - one yard of transparent tape
  - one yard of string
  - one standard-size marshmallow

- one rule: marshmallow must be on top

- Groups of kindergartners kicked the adult groups butt!

  - ==Kindergartners avg. height==: 26 in
  - ==Adults avg. height==: less than 10 in

- We think it's individual skill that matters, but it's actually the interaction that matters most!

- ==Kindergartners== were ==NOT smarter==, they just ==worked together in a smarter way!==

Group Culture

- we know it work, we just don't understand **How** it works
  - It impacts the bottom line
  - It impacts group member's satisfaction
- 3 Skills that create a great culture
  1. **Build Safety** — Signals of connection lead to belonging and identity
  2. **Share Vulnerability** — habits of mutual risk drive trusting cooperation
  3. **Establish purpose** — narratives create shared goals and values

"Culture is a set of living relationships working toward a shared goal. It's not something you are. It's something you do" (p. xviii).

The Bad Apple Experiment

- put "Nick" into different groups to see how he influenced group performance
- Nick played 3 negative archetypes:
  1) the jerk
  2) the slacker
  3) the downer
- His negative behavior spread through every group but one!
  - one person foiled Nick's efforts: "Jonathan"
- Jonathan's group performed well despite everything Nick did!
- What Jonathan did:
  - Leaning forward
  - use body language
  - laugh and smile
  - Nick acts like a jerk, Jonathan sends signals of warmth and safety. Then, he asks a question to engage others!
- The small, subtle behaviors made all the difference!

- Jonathan ≠ stereotypical leader!
  - He created conditions for others to perform, because they felt safe!

"Safety is not mere emotional weather but rather the foundation on which strong culture is built" (p. 6).

Where it comes from and how you build it
- The description people use to describe their relationships with one another in a high performing culture: Family
- Patterns of interaction - p. 7-8
  - Physical proximity, often circles
  - profuse eye contact
  - physical touch
  - Lots of short, energetic enchanges
  - High levels of mixing; everyone talks to everyone
  - Few interruptions
  - Lots of questions
  - Intensive, active listening
  - Humor, laughter
  - Small, attentive courtesies (thank-yous, etc)
- Coyle found spending time with these groups to be addictive - He wanted more connection

Belonging ques

- The interactions are belonging ques. They answer deep questions like:
  - Are we safe here?
  - What's our future with these people?
  - Are there dangers lurking?
- 3 qualities of belonging ques:
  1) Energy - Investment in the exchange
  2) Individualization - Treat the person as unique and valued
  3) Future orientation - signal the relationship will continue
  - 3 ques = "You are safe here."
- Our brains are obsessed with psychological safety - we need lots of ques again and again!

5 Factors for Team performance

1) Everyone talks, listens, and contributes
2) Eye contact, energetic conversations
3) members communicate directly with each other, not just with the leader
4) members carry on back-channel or side conversations within the team
5) members explore outside of the team, then come and share the info with the team

"Group performance depends on behavior that communicates one powerful overarching idea: we are safe and connected" (p. 15).

overture vs. Google

- Ever heard of overture? me neither
- overture was who everyone was betting on to win the race to build a search engine ... we know who won.
- Larry page, founder of Google left a note saying, "these adds suck"
  - Jeff Deane sees the note, gets an idea, and he immediately starts fixing the search engine - without permission = $$$
- overture flopped because of in-fighting and bureaucracy
  - Deane barely recalls his discovery because "that kind of thing was normal"

Belonging cues and the brain

- our brain needs to receive them over and over
- The amygdala goes from guard dog to a guide dog in search of connection when we receive belonging cues

"Cohesion happens not when members of a group are smarter but when they are lit up by clear, steady signals of safe connection" (p. 26).

The Christmas Truce

- 1914, Flanders trenches during WW I
- Soldiers from both sides came out of their trenches and socialized!
- How did this happen?
  - Belonging ques were sent by both sides
  - mutual empathy was built as they were both experiencing the miseries of trench warfare
  - micro truces began in November
    - Ex: time to burry dead, gathering for fires, etc.
  - sang songs back and forth
- The message both sides received:
  - *"We are the same. We are safe. I'll go halfway if you will. And so they did"* (p. 35).

The one-Hour Experiment

- WIPRO call center
  - Treated employees well but there was a 50-70 % turnover every year!

- The reason: They lacked a strong connection to the group
- Leaders tried to fix it with incentives, it didn't work!
- The experiment:
  - Divided new hires into 2 groups and a control group
    - Group 1: standard training + 1 hour about company identity + a sweatshirt with company name
    - Group 2: standard training + 1 hour focused on the employee and what they brought to the team + a sweatshirt with the company name and their name
  - 7 months later: employees from Group 2 were 250% more likely than Group 1, and 157% more likely than the control group to still be working at the company!
    - Why? Group 2 receive personalized belonging cues that lead to a feeling of psychological safety

minuteman missileers

- 750+ men and women who work as nuclear missle launch officers

- Founded in 1940s to be a well-oiled machine, but declined in performance in recent decades
- The group was making costly mistakes, failing inspections, failing proficiency tests, missle accident in its silo.
- The response to failings was always to "Crack down," more consequences
  - It did not work!
- Why was the culture so bad?
  - A lack of belonging cues
    - If you didn't score 100% on next to impossible proficiency exams, you were a failure!
    - No connection, no future, no safety
  - It was the lack of safety and belonging in their culture

"Something bad happens, everybody screams and yells, then they institute more evaluations, which makes everybody more demoralized, more tired, so you make more mistakes" (p. 45).

The Relationship maker

- Study of NBA coaches revealed the vast majority win the amount of games they should based on players... except for Gregg Popovich "pop"
- "pop"
  - How does one of the most demanding coaches also create the most cohesive team?
  - Something about their culture could take a guy who was selfish on another team and make him selfless in a spurs jersey.
  - **"That's the way pop approaches every relationship. He fills their cups" (p.51).**
    - uses lots of physical touch, proximity, eye contact, etc.
  - Tells the truth and loves you to death!
  - Asks his players lots of questions
    - willing to engage in conversations about race, injustice, etc.
  - "Hug em and hold em"
  - uses food and wine as a vehicle to connect with players and coaches

Feedback Experiment

- Students wrote an essay and got different kinds of feedback
  - There was one form of feedback dubbed "magical feedback"
  - They said:
    - "I'm giving you these comments because I have very high expectations and I know that you can reach them."

- That feedback contains belonging cues!
  1) you are part of this group
  2) This group is special; we have high standards
  3) I believe you can reach those standards
- It's the same thing "pop" does!

The Architect of the Greenhouse

- Tony Hsieh, CEO of Zappos
  - Bought Zappos after he sold a company to microsoft
  - Built it up to $2B in revenue and sold to Amazon
  - He had move HQ to vegas and bought surrounding land to try to revitalize a dying part of the city
    - "If you set things up right, the connection happens."
- Create "collisions" - moments of connection
- "my job is to architect the greenhouse."

The Allen curve

- Researcher studied group cohesion and the only factor the groups had in common was the closeness of their desks!
  - It increased interactions. I.e. collisions
  - proximity is like a connective drug

How to create psychological safety

==**"Creating safety is about dialing into small, subtle moments and delivering targeted signals at key points"** (p. 74).==

Over communicate your listening

- head tilted forward, eyebrows up, body still, leaned toward speaker, steady verbal affirmations.
- Avoid interruptions

Spotlight your Fallibility Early on

- "I could be wrong, what do you think?"
- Invite input!

Embrace the messenger

- Embrace bad news when it's shared
- ==Let them know that you need and value their feedback==

Preview future connection

- ==Connect the present with the future vision==
- Coach to players while watching a game, "3 years ago he was sitting in your seat."

Overdo Thank-yous

- Pop to his star players, "Thank you for allowing me to coach you."
- It's about affirming the relationship
- They express gratitude and send belonging cues

Be painstaking in the Hiring process

- Deciding who's in and who's out is the groups most powerful signal

Eliminate Bad Apples

- EXTREMELY low tolerance for bad apple behaviors, and they would name those behaviors.

Create Safe, Collision-Rich Spaces

- Intentionally design your environment to produce connection

5

Make sure everyone has a voice

- Create systems that encourage, spotlight, and value group contributions
  - Recognize the "small" contributions
- Captain Abrashoff example- read It's your ship
  - use your teams suggestions

Pick up Trash

- John Wooden had won 12 National Championships, and he would still pick up trash in the locker room!
- New Zealand All-Blacks captains "sweep the sheds"
- It's about ==establishing a mindset of humility==

Capitalize on Threshold moments

- The moment you enter a group is powerful, make it connecting
- ==Send this message: "We are together now."==

Avoid Giving Sandwich Feedback

- Great cultures ==seperate the positive feedback from the corrective feedback==
  - Negatives addressed in two-way conversations
  - Positives are recognized in bursts

Embrace Fun

- ==Laughter signals safety and connection!==

Flight 232

- Flight was going smoothly until they lost the tail engine, it was a "Catastrophic failure."
- pilots could not control the plane
- A pilot trainer was onboard and offered to help
  - His heart dropped when he saw the cockpit
  - All he said was "Tell me what you want, and I'll help you."
- The men began to communicate in short, urgent bursts of information.
  - They were speaking in notifications
    - Not orders or commands, just useful information.
- The captain asked open ended questions
- 28 flight simulations were done of the situation and crashed without getting close to the destination the real plane landed
- The crew was vulnerable and solved it together

Pixar – Braintrusts

- Designed meetings to give honest feedback on the films
  - Each film has 6+ Braintrusts
- It's not fun, lots of hard truth is shared
- They deliver bad news and ask open-ended questions focused on improving

Navy SEALs – AAR

- AAR = After Action Review
  - Takes place immediately after each training or mission
  - Raw and often filled with emotion, honest feedback
  - All aimed at improving

Organizational Behavior

- "... we intuitively know that ==vulnerability tends to spark cooperation and trust.=="
  - p. 103
- ==Vulnerability== is about admitting your weak and you need help!
  - It allows everyone to lay their insecurities down and begin to trust and work together
  - The receiver is more important than the sender. ==Do they pick up the signal and begin to reciprocate?==
    - I.e. The Vulnerability Loop!

Vulnerability Loop

① person A sends a signal of vulnerability
② person B detects signal
③ person B responds by signaling their own vulnerability
④ person A detects the signal
⑤ A norm is established; closeness and trust increase

- The loop is contagious!
- Vulnerability precedes trust!

Red Baloon Experiment
- Dept. of defense did The Red Baloon Challenge
  - 10 baloons hidden throughout country with a $40,000 prize to the first group to find them
  - Baloons spread over 3.1 mill sq. miles
- Teams assembled to try to win the Challenge with complicated tech.
- MIT team came up with a referral system to locate them - the website exploded!
  - MIT team won in 8 hrs and 52 min!
  - Had 4,665 people helping
  - MIT team signaled their need to for help and offering that they would share in the reward!
- Just tell people you need help!
- Vulnerability leads to cooperation!
  - Allows a group to work as one unit
- Takeaways: Admit weakness, ask for help!

Draper Kauffman's Trust Machine

- Son of a legendary Navy Admiral
- Draper graduated from the Naval Academy but couldn't become an officer because of poor eyesight, so he quit the military.
- Drove an ambulence during WWII
  - Encountered the "Corps France", an elite group of volunteer soldiers who went on missions behind enemy lines
  - They would do anything for one of their own
  - Also spent time with a British bomb-disposal unit
- He was tasked with training an American version - He tried to recreate the Corps Franc with his training
  - Hell week - 25-35% made it through this week
  - Every aspect of training was team-based
    - Teams of 6, had to be self-sufficient
  - Eliminated hierarchy between officers and enlisted men
    - He would do the trainings with them

- Kauffman's training program would become the template for the SEALs training
  - Lot's of log PT, doing exeercises while 6 people hold up a giant log
  - ==Log PT = vulnerability and interconnectedness==
  - It's extremely grewing and takes a ton of teamwork
  - It's all about teamwork and building trust

The power of the Harold

- Lorne michaels was scouting talent for SNL
- upright citizens Brigade (UCB) was a comedy improv group that was changing comedy
  - They were ==consistently producing better comedians==
  - They trained by only using one strange and difficult method of improve: ==the Harold==
- ==The Harold==
  - A long and complex improv activity
  - 8 people, 9 interweaving scenes, and about 40 minutes long (way longer than most improv)
  - requires all members to pay close attention to each other
  - They often fail miserably!

- ==Harold Rules==
  1.) You are all supporting actors
  2.) Always check your impulses
  3.) Never enter a scene unless you are needed
  4.) Save your fellow actor, don't worry about the piece
  5.) Your prime responsibility is to support
  6.) Work at the top of your brain at all times
  7.) Never underestimate or condescend to the audience
  8.) No jokes
  9.) Trust. Trust your fellow actor...
  10.) Avoid judging ... except for whether it needs help...
  11.) Listen!
  - All about the group! They depend on each other

Dave Cooper's Rule

- SEAL Team Six operators reported admiring one leader the most: Dave Cooper
  - Why? He's the best at creating great teams!
  - Cooper's teams consistently performed, even when things went to hell
- After his team was ambushed in Afghanistan when his superior rejected his objection, he realized:

"The problem here is that, as humans, we have an authority bias that's incredibly strong and unconscious – if a superior tells you to do something, by God we tend to follow it, even when it's wrong. Having one person tell other people what to do is not a reliable way to make good decisions so how do you create conditions where that doesn't happen, where are you develop a hive mind? How do you develop ways to challenge each other, ask the right questions, and never defer to authority? We're trying to create leaders among leaders. And you just can't tell people to do that. You have to create the conditions were they start to do it" (P. 138).

- He set out to create a team that relied on interdependence and cooperation

- This is a fight against human nature
- Changed his title, just went by coop or Dave
- Started asking questions, i.e. "Anybody have any ideas?"
- Set the expectation of honesty as a reflection of care
- AARS - "Rank switched off. Humility switched on"
  - AAR = After Action Review
  - my thought: why don't more coaches do a form of this with their team's? more than just talking at them after a game
  - Led by players, not coaches
  - Allows the team to see the perspectives of each other in the various situations and decisions
  - "A relentless willingness to see the truth and take ownership."

The Nyquist Method

- Bell Labs in NJ was the technology innovation hub until the 1970s
- They studied the 10 most productive and creative people at the lab, and they had one thing in common...
  - They regularly ate lunch with Harry Nyquist
- Nyquist had two important qualities:
  - Warmth - he made people feel cared for
  - Relentless curiosity - "full of ideas, full of questions"
- "If I could get a sense of the way your culture works by meeting just one person, who would that person be?" (P. 148)
- people who ask questions and are genuinely curious are the spark plugs to the engine of culture
  - They must listen intently
  - They nudge the group toward improvement and new solutions
  - To be empathetic and build trust, you must listen!

Make sure the Leader is vulnerable first and often

- Leaders must signal vulnerability
  - "I screwed that up" is vital for leaders to say
  - Vulnerability isn't weakness, it's strength
- 3 questions to ask (p. 159-160):
  - What is one thing that I currently do that you'd like me to continue to do?
  - What is one thing that I don't currently do frequently enough that you think I should do more often?
  - What can I do to make you more effective?

Overcommunicate Expectations

- Explicit and persistent in communicating expectations
- model cooperation, align language and roles
- Cooperation is the expectation

Deliver the Negative stuff in person

- Always give negative news or feedback in-person
- It can be awkward, but it works because it's honest and creates clarity and connection

When forming New Groups, Focus on Two moments

- The first vulnerability
- The first disagreement
- What happens in those moments set the pattern for how your team will cooperate

Listen Like a Trampoline

- Effective Listeners do 4 things:
  1. Interact in a way that makes others feel safe and supported
  2. Take a helping Cooperative stance
  3. Occasionally ask questions that Challenge old assumptions
  4. Make occasional suggestions to open up alternative paths
- Great listeners are like trampolines, they absorb, then transfer energy back.
- Ask multiple questions, the first answer usually isn't the answer.

In conversation, Resist the Temptation to Reflexively Add value

- Creating vulnerability is as much about what is NOT said as what is
- Say things like, "Tell me more about that," "Say more about that."

Use Candor-Generating Practices Like AARs and Braintrusts

- AAR (After Action Review) Structure:
  1. What were our intended results?
  2. What were our actual results?
  3. What caused our results?
  4. What will we do the same next time?
  5. What will we do differently next time?
  - Can be benifical to run without leadership involvement
  - Write down the findings
- Braintrusts
  - The team can only highlight problems NOT solutions
    - Ensures that project leaders maintain ownership of it
- It's all about building the habit of vulnerability

Aim for Candor, Avoid Brutal Honesty

- candor = feedback that is smaller and more targeted, because it's...
  - less personal
  - less judgemental
  - equally impactful
  - maintains safety and belonging

Embrace the Discomfort

- The group must endure...
  - emotional pain
  - a sense of insufficiency
- The pain is the path to building a stronger group

Align Language with Action

- Use language that reinforces that cooperative culture you want
- EX: "project manager" vs. "design community leaders"

Build a wall between performance Review and professional devel.

- Keep performance reviews and professional development seperate even though they feel natural to have together.
- Give feedback on performance, then at another time discuss areas for growth

Use Flash mentoring

- Just like mentoring, but only for a few hours
- Brief interactions break down barriers and build relationships

make the Leader occasionally Disappear

- Leave the group alone at a key moment
- EX: Greg popovich will not go into a time out huddle and let the players figure it out
- The best teams can operate without their coach/leader

Johnson and Johnson

- In 1975, James Burke, the president, got 35 senior managers to discuss the "credo"
  - The ==credo outlines who the company serves, how they serve, and value statements==
- Burke noticed the credo didn't matter to the employees any more
- He decided to question and challenge it
  - ==The company recommitted to the credo, then...==
- In 1982 7 people died from their Tylenol being laced with cyanide, all in Chicago
- FBI recommended they recall in just Chicago, but ==they recalled nationwide, which cost them $100 million==
  - ==Why? The credo. Their first responsibility was to Doctors, Nurses...==
- Made thousands of decisions in response and all were serving the public first

What's this all for? what are we working toward?

- Successful groups make their purpose and values glaringly obvious
- They use catch phrases and mottos a lot
- They tell their own story and remind each other what they stand for
- They build high-purpose environments
  - Links the present to the future
  - "Here's where we are..., and here's where we are going..."
- Envision a reachable goal, then envision the obstacles
- our brains are hard-wired for story!

The power of story

- 1965 Harvard research study
  - "Tested" elementary student's intelligence
  - Told teacher 20% of the students tested as "high potentials" - a bogus random label
  - The following year those "high potentials" blew the rest of the students out with their test scores
  - was really measuring impact of narrative on teacher-student relationship
    - Teachers treated those students differently, it contributed to their increased growth

- Your people need to know two things:
  - ==This is why we work==
  - ==Here's where you should put your energy==

Taming the Hooligans

- English soccer Hooligans
  - Notorious for causing violence and destruction
- Portugal was hosting 2004 Euro Championships, and they knew they had to come up with a plan
- Clifford Scott - Social scientist
  - Theorized that riots had less to do with social history and more to do with social cues
    - I.e. police in riot gear activated hooligan behavior from people who otherwise act normally (95% of people arrested at soccer games had no previous record).
- The key to policing riots: stop policing riots
- Scott's plan for portugal:
  - Train the police
    - All riot gear out of sight
    - Selected officers as liasons based on their social skills
      - made sure they were good at small talk
    - Don't confiscate their ball unless it comes to you

- **The result:** only one English fan was arrested
  - 2,000+ fan-police interactions and only 0.4% were disorderly
- **why did it work?**
  - The police sent this signal in small ways: we are here to get along!
  - They saw the liasons as their advocates

The Fastest Learners

- **Learning velocity,** how quickly members learn new skills, is a great measure of culture
- Harvard study tracked learning velocity of surgical teams learning a new heart surgery technique
  - All teams had the same training
  - Which would learn fastest and perform best?
  - Groups either had high success or low success, none were in the middle, teams either clicked or didn't. why?
  - Successful teams vs. unsuccessful teams
    1. Framing - viewed procedure as learning and beneficial to patients vs. viewed it as an add-on to existing practices
    2. Roles - Leader defined roles and importance of pefformaning as a team vs. Leaders didn't do define roles and emphasize teamwork

③ Rehearsal – prepared with extensive "dry runs"
   vs. minimal steps to prepare

④ Explicit Encouragement to speak up – Leaders
   told the team to speak up when they saw
   a problem   vs. Leaders did little coaching
   about how to handle problems

⑤ Active Reflection – went over performance
   and suggested improvements vs. Not
   reflecting on performance

- What's missing? experience, surgeon status,
  resources, organization support, etc.
   - Why? They matter less!

- Successful groups made it clear why they
  were doing it and what they were aiming for

Danny meyer

- 24/25 restaurants in the NYC area have succeeded
  - 80% of new restaurants in NYC fail within 5 years!
- Why have his succeeded?
  - The way they make their customers feel
  - It's all about the way they interact
  - The employees are empowered to do whatever is necessary to make it a great experience for customers
  - "The number one job is to take care of each other." - meyer
- They are intentional about the language they use with customers
- Their priorities:
  ① colleagues
  ② Guests
  ③ community
  ④ Suppliers
  ⑤ Investors

- ==Naming behaviors== - meyer got really good at doing this for his employees
  - ==EX:== "read the guest," "Athletic hospitality," "writing a great final chapter," "one size fits one," etc.
  - ==The language all resolves around their purpose:== taking care of people

Slime molds

- blob-like organisms made up of thousands of individual amoebae
- when food becomes scarce, they begin to work together
- people thought certain cells were organizing it ==instead all the organisms just follow simple rules:==
  - No food = connect
  - Connected = stay connected and go to light
  - Light = stay connected and climb
- Transfers to cultures
  - EX: someone is rude = make a charitable assumption
  - ==Define the behaviors you want to see and link them with your purpose==

The Lighthouse method

- Creating purpose by sending clear signals that link A (where we are) to B (where we want to be)

Leading for creativity

- <u>Not</u> about going A → B
- It's about going A → X
  - X = unknown location
- The leaders of these groups were often not sterotypically creative, they were more like a creative engineer
- Ed Catmull - co-founder of pixar
  - After Toy Story's success, he knew pixar's success depended on their ability to find and solve problems that would block creativity
  - Almost all of their movies are bad at first
    - It takes tons of time and effort to "unearth" the right creative ideas
    - Also takes a team that is willing to work together and a leader that is open to new ideas
    - Kaizen - continual improvement

- Disney Buying Pixar
  - Catmull and Lasseter tasked to run it
  - Focused on two things:
    - ==New systems,== i.e. directors generating ideas for films instead of executives
    - ==New ways of interacting,== i.e. Braintrusts

"Here's a surprising fact about successful cultures: many were forged in moments of crisis" (p. 227).

- They use crisis to crystalize their purpose
  - Crisis is the crucible
- Successful cultures succeed on the back of many failures

Name and Rank your priorities

- To move toward a target, you need a target!
- 5 or fewer priorities that align with your identity
- #1 must be building and sustaining the group itself

Be 10x as clear alb your priorities as you think you think Should

- Leaders are biased and think others are as clear on priorities as they are
- Key messages must be repeated over and over again to your team
- create conversations that grapple with philosophical and vision questions

Determine where you need proficiency vs. creativity

- proficiency is about doing tasks the same way each time
  - what's the goal? Here are the steps to get there
  - Show examples of excellence
  - Lots of reps, lots of feedback
  - Rules of thumb
  - Emphasize the fundamentals
- creativity is about empowering groups to do what has never been done
  - provide support, fuel, and tools
  - pay attention to team dynamics
  - protect their autonomy
  - make it safe to fail and provide feedback
  - celebrate the group taking initiative

Embrace the use of catchphrases

- Catchphrases create clarity and provide reminders for your team
- Action oriented phrases
  - I.e. "Leave the jersey in a better place than you found it"

measure what really matters

- The biggest obstacle to a purposeful culture is all the noise and alternatives
- measure things that align with your purpose

use Artifacts

- Find artifacts that reflect the groups purpose and identity
  - Find things that scream, "This is what matters"

Focus on Bar-setting Behaviors

- Translate abstract ideals and values into one very concrete behavior
- Celebrate those specific behaviors like crazy