RULES OF BELONGING

Change your organisational culture, delight your people and turbo-charge your results

Fiona ROBERTSON

Praise for *Rules of Belonging*

Like many of the best ideas you come across in business, this one is deceptively simple and incredibly powerful. Now we know culture is the rules of belonging, we can figure out what those rules are today and start changing them to what they need to be.

Magnus Gittins, Director, Australian Graduate School of Management (AGSM) Executive Education

There's a lot of robust research behind this approach and a lot of practical experience in how to apply it in the real world. A killer combination.

Scott Butterworth, Chief Financial Officer, Slater + Gordon

This explains so much of the behaviour we see in teams and organisations. Fiona Robertson's ability to make sense of the mysteries of human behaviour reveals hidden patterns in what often seems like chaos. The insights in this must-read book crack the code on the drivers of organisational culture and light the pathway towards lasting leadership impact and positive culture change.

Paul Freeman, Chief Executive Officer, Medfin

If you want to build momentum and make the connections that will drive real change, take the ideas in this book and apply them to your organisation.

Steve Tucker, Chairman, Koda Capital

There's no one ideal culture that works for every organisation. This book will help you figure out the ideal culture for yours that is both realistic and commercial.

Shaun Dooley, Group Chief Risk Officer, National Australia Bank

Fiona Robertson's writing shows deep insight into underlying motivators of human behaviour – something essential for all organisational change agents to understand.

Melissa Grasso, Head of Culture Development, National Australia Bank

Fiona has taken all the noise out of the endless debates about culture and stripped it back to something clear, compelling and tangible.

Paul Carter, Chief Customer Officer, Bank of New Zealand

This is the only book you'll need to buy this year on culture and belonging. Fiona gives a practical, step-by-step approach to looking at how the rules of belonging in your culture might be working for and against you. Well supported by contemporary research, this will become a valuable handbook in your arsenal on building productive team culture!

Claire Hopkins, Chief Student Experience Officer, RMIT Online

'A deep sense of love and belonging is an irreducible need of all people. We are biologically, cognitively, physically, and spiritually wired to love, to be loved, and to belong. When those needs are not met, we don't function as we were meant to. We break. We fall apart. We numb. We ache. We hurt others. We get sick.'

— Brené Brown

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book is available from the
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PREFACE

I've been obsessed with why people do what they do for my whole life.

I spent my early career as a communications consultant in media relations and issues management in London, coordinating multi-country campaigns for companies such as IBM and the Nasdaq Stock Market. During that time I came to believe that communication, or the lack of it, was at the root of most business problems. I don't mean the kind of communication that involves press conferences and interviews; I mean the kind that happens between humans in everyday interactions while they are trying to get work done. I started to wonder if I held that view because I was in the business of communications (when you have a hammer, every problem looks like a nail). So, I decided to take myself off to business school to test the hypothesis.

The three years I spent at London Business School were some of the hardest and most rewarding of my life. That was where I was first exposed to the discipline of organisational behaviour (also known as organisational development), which has now become my profession. I learned that the best organisational leaders

around the world were those who had experienced being an outsider early in their lives. I learned that the knowledge of the group is always superior to the knowledge of any individual. I learned the difference between knowledge and wisdom. I saw how bad leadership could destroy lives and organisations and great leadership could lift people up to heights they could never have imagined. By the end of my time at business school I was more convinced than ever that communication issues were at the root of every business problem.

As a result, much of my work during and after that became about helping people operate more effectively together across all kinds of boundaries. My role morphed from being an advisor in issues management and media relations to becoming a coordinator of human interaction for the good of the whole. I became addicted to making sense of the complexity of what happens between people.

What I didn't appreciate at the time was how much of what I was doing was actually about team and organisational culture. I had no clue what that was. I just knew things were harder when people didn't work well together and far easier when they did. I knew there were lots of invisible and powerful dynamics operating under the surface of these various groups and just flew by the seat of my pants trying to guess what was really going on for people.

What I've learned through all this is that humans are infinitely complex and remarkably simple all at the same time. My fascination with human dynamics has only grown stronger with time and I see no chance of that changing any time soon. I'm obsessed – hopefully in a productive and not at all creepy way.

After coming back to Australia, I spent many years consulting for a large range of clients as well as working in culture change roles at NAB, one of Australia's 'big four' banks – ultimately becoming Head of Culture there. The work was wonderfully complex and challenging, and included introducing a set of values, translating those values into observable behaviours and embedding them into the performance management system (they were later de-emphasised in that system), and doing some of the groundwork for the development of the organisational purpose that was launched around the time I left.

I've learned a lot about what works and what doesn't when you're trying to change team or organisational culture. Above all, I've learned what culture is and what it isn't, how it actually operates, and what a culture needs from its leaders.

THE COVID-19 EFFECT

As this book enters the final production process, the world is grappling with the COVID-19 virus and everything has changed around us.

Our sense of belonging has been fundamentally disrupted.

We've watched as our tribes have dispersed and reformed in a much faster and more fluid way than we've ever experienced before.

Most of us are feeling especially uncomfortable and that's a big part of why.

Of course, we're also experiencing grief – lots of grief – for the tens of thousands who have been lost, for the millions who are

struggling, for the sheer scale of what is happening around us, for the lack of control, for the lost opportunities.

As the ultimate social species, the cognitive dissonance of staying apart to stay safe is intensely unsettling.

But even as I write these few paragraphs, I see the beginnings of what's to come. A mass revisiting of our business strategies and the meaning behind them.

What we must not miss is the opportunity to also revisit our cultures. Our team and organisational cultures are changing right now. The rules of belonging are shifting. They are unfrozen. The only thing we can be certain of is that they will refreeze again, and it may be sooner than we think. The new rules may support and accelerate our new strategies or may hinder and delay them. It will happen by accident or it will happen deliberately.

I urge us to seize the opportunity to make it deliberate.

INTRODUCTION

Jeff leads a team of eight, most of whom have their own direct reports, working inside a large, complex organisation. He spends endless hours trying to get his people to work effectively with each other and with other teams. He's getting nowhere fast.

Jeff has lost count of the number of times he's had a member of his team come to him and complain about an issue they're having with one of their colleagues being unsupportive or difficult. If he steps in and tries to broker a truce, it invariably turns into a game of 'you said/they said' and further damages the relationship between them. If he raises the contentious issue in a team meeting, no-one says anything, or they all say everything's fine – but he knows it's not fine.

He has tried several things to get the team to work better together. Once he had them all work on a team purpose statement, and another time they agreed to a set of team values. But in the end the words they'd crafted had no relationship with what was actually happening in the team. Worse, they were often used as 'helpful' reminders from one team member to another about how they were somehow failing to live

up to the ideal of the value. This just made the relationships between the team members even more strained.

The tension between Jeff's team members makes everything they do harder. Every decision takes longer than it needs to because the debates are fuelled by interpersonal frustrations instead of genuine concern for getting the best outcome for customers and the organisation. They waste so much time on power struggles. Stress levels are always high because no-one is convinced that the others are well-intentioned, so they endlessly second guess the motives behind their colleagues' actions. It's completely exhausting, feels horrible and stops them from performing anywhere near as well as they could.

Jeff would give anything for his people to help each other more and to work more effectively with other teams. He wants them to have each other's back and sort through problems together; maybe even have some fun. And he would dearly love to not have to play 'dad' in what feels like an endless game of sibling rivalry.

> **Does this sound familiar? If you and your team feel anything like this, this book is for you.**

Why can't Jeff get any traction? Because he's solving the wrong problem. He's trying to shift his team's behaviour just by using 'surface level' devices such as values. What he doesn't under-stand – what most people don't understand, actually – is that values and culture are not the same thing. Values work at an individual level. Culture is what happens under the surface of interactions in the spaces between people. It lurks in the

interpretation of behaviour, not in the behaviour itself. It can be seen, but only if you know where to look. Once you start to see it, you will never be able to un-see it. You will have the code to unlock the secret of culture.

I can give you that code. But a word of caution: if you're reading this book hoping that I will describe the one and only perfect, shiny intervention that is guaranteed to take your culture from where it is now to where you want it to be, you need to put this book down right now and go and read one of the many, many other books that tell you there is something like that, which will work for you. I'm not going to tell you that because it isn't true. Culture doesn't work like that. I can't give you the one simple, perfect solution to 'fix' your team's culture, but I can give you the code to unlock that solution for yourself.

> **There is no single intervention that works for every team or organisation because every team is starting from – and wants to end up in – a different place. Teams are as unique as fingerprints.**

The code is the ability to see the invisible rules that your team follows. Your team already has a set of rules that dictate what earns or loses 'belonging' in the group; these are the rules of belonging.

The rules of belonging are based on the behaviours that increase a person's status and acceptance in a particular group at a particular time.

Many of those rules have to do with what the leader does, how they react and how members of the team react to the behaviours they see within the team and from others outside it. The rules of belonging are the culture of your team.

If you understand what the rules of belonging are in your team today, you can understand how your team culture works, and how to change it. You do this by:

- ► identifying the current rules of belonging

- ► figuring out which of those rules are encouraging helpful behaviours and which are not

- ► designing an intervention to shift the rules of belonging so they encourage the behaviours that are helpful for your team and discourage the ones that are unhelpful.

This book will help you do that. It will help you work out what the rules of belonging currently are in your team. Then it will help you think through what you want the rules to be, give you ideas of things to try and show you examples of how you can shift from one to the other.

Then it's over to you. You need to apply the ideas in this book to your own situation. I can't do that for you (unless we work together), but I can help you do that for yourself.

We can all do something about making work better. Whether you're the leader of a team, a member of a team or the leader of a whole organisation, there is always something you can do to shift the culture if you know where to find it.

PART I

Most people don't understand what culture is, how it works or why it works that way.

In part I, we will explore what culture is and isn't (spoiler alert: it's not employee engagement), why it works the way it does and why belonging is so vital to humans.

This will take us to part II, where we'll look at how to establish what the current rules of belonging are in your team, figure out what you want them to be, and start working to shift them from one to the other.

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SOLVING THE WRONG PROBLEM

Children in Hong Kong are asked a question as part of their standard high school admissions test. They're shown a diagram of six car parking spaces that look like they are numbered, from left to right: 16, 06, 68, 88, x and 98 – where x denotes a space in which a car is already parked, obscuring the number of that space. The question asks what number is missing in the sequence, obscured by the parked car. It stumps most of the children and you may find yourself in the same situation.

The reason the question is confounding is because it has absolutely nothing to do with maths. If you flip the diagram upside down and literally look at it from a different angle, you see immediately that the sequence of spaces is actually numbered 86, x, 88, 89, 90 and 91, and the missing number is suddenly very obvious: it's 87.

Most of us would never think to look at this problem as anything other than a maths problem. We wouldn't see the

hidden pattern and might waste a lot of time trying out different solutions before we eventually gave up.

> **Organisational culture is just like that. If we don't know the real problem, we'll spend forever trying to solve the wrong one.**

ON A MISSION

I've seen many, many attempts to change team and organisational culture using all sorts of solutions. Here's how it usually goes: everyone in the organisation is happy to agree that culture is important. They agree that something must be done. Then they try to find a surface-level, cosmetic solution because they don't know what else to do and they need to be seen to be taking decisive action – right now. Pass me the silver bullet! This usually comes in the form of a mission, vision, values or purpose statement.

I've lost count of the number of leaders who have asked me if they need to create any or all of these statements. My deeply annoying answer is: it depends.

Let's start with the purpose statement. An organisational purpose *can* be a fantastic catalyst for change in an organisation that lacks focus and needs a way to align and inspire its people. However, the purpose statement only works if – and it's a *very big* 'if' – a whole series of critical conditions exists. By all means do the work to allow the essence of your purpose to bubble up from among your people and those they serve, mould it into the perfectly articulated statement and then,

critically, do the endless hard yards to make it sing inside and outside your organisation. You must know, however, that a purpose statement will only have the desired effect if your organisation genuinely has a purpose beyond making money, and that purpose:

► is something you're prepared to actively use to shape your decisions and craft your future strategy (most particularly when it is inconvenient to do so)

► will attract the people you want and allow the others to self-select out

► will inspire your people, those they serve and your other key stakeholders

► is likely to remain constant for at least five years (ten is better).

For goodness sake, don't set a purpose unless you're prepared to actually live it.

With apologies to Oscar Wilde, the only thing worse than not having a purpose is having one that isn't real. It's the same for mission and vision statements, and particularly the case for values. In the very early days of culture change efforts, printing values on mugs and mouse mats was all the rage; it was the equivalent of hanging inspirational cat posters everywhere. The problem with this approach is that the words on the poster often bear little or no resemblance to what is happening in real life every day.

Take the oft-mentioned Enron as a perfect example. We've all heard the story of the massive scandal at the Texas-based

energy company that resulted in what was at that point the largest corporate bankruptcy in history and numerous executives going to prison. The executives used dodgy accounting to hide billions of dollars of debt from failed projects and deals. The scandal also signed the death warrant for what was then one of the biggest and most prestigious accounting firms on the planet: Arthur Andersen.

One famous anecdote from the scandal was then-CEO Jeffrey Skilling's scathing comment during a conference call with Wall Street investment analysts. When it was pointed out that Enron was the only company that could not release a balance sheet along with its earnings summary, he replied: 'Thank you very much, we appreciate it … asshole'.

Enron's stated values at the time were:

- ► respect
- ► integrity
- ► communication
- ► excellence.

There are countless other examples of organisations whose stated values have had a negative correlation with company or employee actions, and yet values and mission statements continue to be the go-to solutions for cultural change.

No matter how many feel-good values statements you have, they are not going to change the culture of your organisation because they are solving the wrong problem. They are trying to change behaviour on the surface, rather than looking at what lies underneath it.

BEHAVIOUR INTERPRETATION

Imagine attending an important meeting and seeing one of the most senior leaders leave before the end. In some organisations this would be interpreted as: 'Wow, that person must be really busy if they need to leave this meeting early – they must be very important'. In others it would be interpreted as: 'Wow, that's extremely rude and they clearly don't understand how important this meeting is – they must be naive and unprofessional'. How can the exact same behaviour – leaving a meeting early – have two such radically different interpretations? It's because behaviour is viewed through the lens of the organisation's culture.

If being busy is routinely seen as a badge of honour in the organisation, and the number of back-to-back meetings in your calendar is a proxy for how important/powerful you are, then leaving a meeting early is interpreted as a sign of importance. It increases that leader's status and acceptance in that group.

If respecting the time of your colleagues, being clear about next steps and staying accountable are the badges of honour in the organisation, then leaving the meeting early is interpreted as unprofessional. That behaviour decreases the person's status and acceptance in that group.

> **Behaviour is interpreted through the lens of the organisation's standards of 'what *good* looks like around here', what gets you ahead and what makes you an accepted and trusted member of the group. Those standards are the rules of belonging.**

The rules of belonging often have nothing to do with values or mission statements. They are all about the behaviours that increase a person's status and acceptance in a particular group at a particular time.

MONKEYS IN SHOES

You may have heard the story about monkeys and bananas that is sometimes used to describe organisational culture. To me it's the perfect description of the rules of belonging.

It's based on a 1966 experiment conducted by the University of Wisconsin, and it goes like this: a group of monkeys is put in a large cage and a bunch of bananas is suspended out of reach above them. A stepladder is added. As soon as one of the monkeys climbs up to grab a banana, that monkey is shot with a water cannon. This negative reinforcement is repeated until all the monkeys stop trying to climb the ladder: they have learned that bad things happen when you try to get the bananas.

Then one of the monkeys is replaced by a new monkey who has never been shot with the water cannon. New monkey takes one look around and thinks, 'These guys are crazy – can't they see the bananas up there within our reach?'. New monkey immediately climbs the ladder – but old monkeys know that bad things happen when you climb the ladder, so they attack new monkey and stop him from getting the bananas. So pretty swiftly new monkey learns not to climb the ladder.

You can probably see where this is going. One by one the old monkeys are systematically replaced with new ones until the

whole group is made up of monkeys who have never been shot by the water cannon but – and here's the kicker – none of them attempt to climb the ladder. Why? Because they've all learned that bad things happen when you climb the ladder. Despite the fact that the whole group and every individual within it would benefit from climbing the ladder and getting the bananas, they never try again. In other words, the new monkeys quickly figured out what was considered successful behaviour in the group they had joined, and they complied with that behaviour – even though they didn't know where it had originally come from or why it made sense. It had simply become 'the way we do things around here'.

I would love to be able to tell you that humans are far more sophisticated than this, but I can't. This is exactly the way culture works in human groups. Humans identify the behaviour that is successful in the group they join and then adopt that behaviour as their own, or leave the group. Those are the rules of belonging; that's what culture is: it's the rules of belonging in a particular group at a particular time. As the wonderful musician Tim Minchin says in one of his songs, we're all just 'monkeys in shoes'.

All this might sound depressing; I mean, who wants to think that we're like a bunch of monkeys? But it's actually great news.

> **It means that culture, and culture change, is much simpler than we've been led to believe. It's not easy, but it is simple.**

One of the reasons we all reach for mission and values statements – hell, even cat posters – when we're trying to change culture is that we've always been told that culture is a deeply complicated thing. We believe we need to implement large-scale, complicated interventions to make any impact and that it's too hard to change or we don't have the skills or time required.

Let's face it, in these frantic days where life is speeding up constantly, who has the time or energy to try to work all this stuff out? That's a huge part of the problem: it all seems so overwhelming and we don't know where to start. It is very, very easy to relegate culture to the too-hard basket or reach for the nearest cosmetic solution so we can be seen to be doing something.

You'll be pleased to know it's not as complicated as you might think. If you know that your team's culture is its rules of belonging, it is absolutely possible to figure out what those rules are and what you want them to be, and start to nudge them in the right direction immediately.

Any one of us can start to change the culture of our group, from today.

Culture is the rules of belonging. Change the rules of belonging and you'll change your culture.

CHAPTER SUMMARY

Most people don't understand what culture is or how it works and have no time to work it out, so they spend a great deal of time and energy trying to solve the wrong problem. Mission, vision, values and purpose can be incredibly powerful, but they only work if they're lived (and they *very* rarely are). If they're not lived, it's more damaging to have them than not. People are often attracted to them because they, theoretically, give useful clues about what 'good' is supposed to look like around here. The problem is that they often only address issues that are superficially visible (behaviour) and don't get to what's going on underneath the surface (the interpretation of behaviour).

The interpretation of behaviour is what sets the rules of what's acceptable and what gets you ahead in the organisation; in other words, the rules of belonging. Culture is the rules of belonging. Sometimes people describe culture as 'the way we do things around here'. It should more accurately be described as 'the way we belong around here'.

Change the rules of belonging and you'll change your culture. If you don't work on changing the rules of belonging, everything else you do is just more noise.

SOME QUESTIONS TO CONSIDER

➤ If, like most organisations, you have a mission, vision, values or purpose that sounds great on paper but doesn't bear any resemblance to what goes on in real life, what can you do to ensure these statements are genuinely used for decision-making and prioritisation in your team?

➤ What 'bananas' are sitting there just out of reach that you and your team are ignoring?

➤ What behaviours are you and your team repeating without knowing why?