Part 1 THE TRIBAL SYSTEM

CHAPTER 1

Corporate Tribes Every organization is really a set of small towns. If you’re from a small town, think of the people there. If you’re not, think of, as Don Henley sings, “that same small town in each of us.” There are the business executive and the sheriff. There’s the town scandal—the preacher’s wife and the schoolteacher. There’s talk of who will be the next mayor, who will move away, and the price of grain (or oil or the Wal-Mart starting wage). There’s the high school, where the popular kid, the son of the town’s sheriff, throws a party the weekend his father is away. There are the church crowd, the bar friends, the single people, the book club, the bitter enemies. There are also the ones who are the natural leaders, who explain why the party at the sheriff’s house seemed like a good idea at the time and how sorry they are for the beer stains on the carpet.

The people are different in every town, and the roles are never exactly the same. But there are more similarities than differences, and the metaphor itself always holds, from companies in Nebraska to ones in New York or Kuala Lumpur.

We call these small towns tribes, and they form so naturally it’s as though our tribe is part of our genetic code. Tribes helped humans survive the last ice age, build farming communities, and, later, cities. Birds flock, fish school, people “tribe.”

A tribe is a group between 20 and 150 people. Here’s the test for whether someone is in one of your tribes: if you saw her walking down the street, you’d stop and say “hello.” The members of your tribe are probably programmed into your cell phone and in your e-mail address book. The “150” number comes from Robin Dunbar’s research, which was popularized in Malcolm Gladwell’s The Tipping Point. When a tribe approaches this number, it naturally splits into two tribes.

Some of the corporate tribes we’ve seen include the high-potential managers of one of the world’s largest financial services companies; the doctors, nurses, and administrators of one of America’s most respected healthcare institutions; the research and development division of a mammoth high-tech firm; the operational executives of a major drug company; and the students of the executive MBA program at the University of Southern California.

Tribes in companies get work done—sometimes a lot of work—but they don’t form because of work. Tribes are the basic building block of any large human effort, including earning a living. As such, their influence is greater than that of teams, entire companies, and even superstar CEOs. In companies, tribes decide whether the new leader is going to flourish or get taken out. They determine how much work gets done, and of what quality.

Some tribes demand excellence for everyone, and are constantly evolving. Others

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are content to do the minimum to get by. What makes the difference in performance? Tribal Leaders. Tribal Leaders focus their efforts on building the tribe—or, more precisely, upgrading the tribal culture. If they are successful, the tribe recognizes them as the leaders, giving them top effort, cultlike loyalty, and a track record of success. Divisions and companies run by Tribal Leaders set the standard of performance in their industries, from productivity and profitability to employee retention. They are talent magnets, with people so eager to work for the leader that they will take a pay cut if necessary. Tribal Leaders receive so many promotions in such a short time that people often spread buzz that they will be the next CEO. Their efforts seem effortless, leaving many people puzzled by how they do it. Many Tribal Leaders, if asked, can’t articulate what they are doing that’s different, but after reading this book, you will be able to explain and duplicate their success.

A Tribal Leader many of us know from history is George Washington. His single major contribution was in changing thirteen diverse colonies into one people. If we look into what Washington actually did, he built a single identity (measurable by what people said) to a series of networked tribes. One was the affluent class in Virginia society, perhaps fewer than a hundred people. Another was the Continental Congress, originally fifty-five delegates. The third was the officer class of the Continental Army. Each time, Washington led the group to unity by recognizing its “tribalness,” by getting its members to talk about what unified them: valuing freedom, hating the king’s latest tax, or wanting to win the fight. As he built the common cause in each tribe, a mission gelled and they embraced “we’re great” language. Washington’s brilliance in each case was that the man and the cause became synonymous, with the leader shaping the tribe and the tribe calling forth the leader. This is how Tribal Leadership works: the leader upgrades the tribe as the tribe embraces the leader. Tribes and leaders create each other.

Before we move on, a few words about our method. We’re at the end of a ten-year set of research studies that involved twenty-four thousand people in two dozen organizations, with members around the world. We derived each concept, tip, and principle in this book from this research. What moved us, and what we hope moves you, is not the statistical side of the analysis but the people we met along the way—people who live the principles, who make life better for millions of employees, customers, and residents of their communities. As a result, we’ve written this book around the individuals who moved us.

Our guiding metaphor is this: most popular business books are like log cabins, cozy and warm with a blazing fire. They’re comfortable, life affirming, and filled with snapshots of people and moments. They’re fun to read, and the principles in them resonate within our experiences as true. The log cabin is built on anecdotes, however, and as we look back to fifty years of them, many have collapsed as times and economic cycles change. Although comfortable, they need structural reinforcement. Another set of books rests

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on statistical evidence, and while we trust their conclusions, reading them is like visiting a skyscraper with cubicles built in the 1970s, containing steel desks under fluorescent lights that flicker. Their structural integrity stands up during storms, but we find being in them tiring and draining.

We have attempted to put together a book that has the structural integrity of the skyscraper but with Persian rugs, cherrywood tables, floor-to-ceiling windows, perhaps even a stone fireplace or two. In short, you'll be reading about people, but with the assurance that the principles behind the stories are based on research. In presenting our findings, we have done our best to avoid academic concepts like theoretic frameworks and research agendas. When it was necessary to bring in others’ research, we went and sat with them (when possible), to bring their personalities into the story as well as their findings. When our research gave us solid conclusions, we sought out people who epitomized what we were seeing in the data, to give a human face to the main points of this book. As you take this journey with us you'll meet former Amgen CEO Gordon Binder; NASCAR Chairman, Brian France; IDEO Founder, Dave Kelley; Gallup CEO, Jim Clifton; authors Ken Wilber and Don Beck; Dilbert creator, Scott Adams; actress Carol Burnett; Nobel Laureate Danny Kahneman; and Mike Eruzione, captain of the 1980 Olympic Gold Medal U.S. Hockey team—the basis of the movie Miracle.

We are indebted to these individuals and many others, and to a lineage of research that is fairly new to business. If you want to see the academic side of our research, you might start with Appendix B, which is about the story of our methodology. Simply put, it's that tribes emerge from the language people use to describe themselves, their jobs, and others. For most people, language is something they just live with and don't think about. Tribal Leaders know how to nudge language in a way that makes it morph—just as Washington's efforts created a common tribal language in the colonies, the army, and the Continental Congress. Change the language in the tribe, and you have changed the tribe itself.

As we derived principles and tools we put them to work in companies and organizations that were willing to test new methods. Some worked and some failed. We folded these lessons learned back into our studies, so that what you're reading has a basis in both research and practical experience.

A Road Map to Tribal Leadership

Most people describe Tribal Leadership as a journey, in which they understand themselves and the people around them better and, as a result, know exactly what actions will affect their workplaces. Most people are blind to tribal dynamics. Our clients have described the moment when it all clicked for them, when they were able to see their company as a tribe, and suddenly they saw exactly what do to, in the same way George Washington somehow knew what to do more than two hundred years ago.

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The first part of this book will give you the insights and vocabulary of a Tribal Leader. Chapter 2 introduces the main thrust of this book: tribal stages.

The tribal stages operate like a slow conveyor belt that keeps sticking. When the belt is moving, people naturally move from one stage to the next. The early chapters in this book will remind you of the early stages of your career—the days right after college when you didn’t know people and it was hard to find traction for your ideas. You’ll recognize some clusters of people who have gotten stuck at this stage and built their part of the tribe accordingly. The vast majority of people become stuck in the middle stages, then seek out tribes that speak their language and do things in a familiar way. The later chapters will describe you on your best days and give you insight into people you know who can make things happen wherever they go.

After the five stages are introduced, later chapters go into each stage, highlighting exactly what actions will affect it and how to know when you’re succeeding. Because each stage has a unique set of “leverage points” that will unstick it, it’s critical to understand each one. Apply the leverage points incorrectly, and you’ll reinforce tribal mediocrity.

This book is written at three different levels. First is the story— the main text of the book. Second are the “technical notes” in the margins, which answer the many questions we’ve been asked as we explain the Tribal Leadership system; those of you who like detail and fine gradations, we hope, will find these points useful. Third are the “coaching tips,” which are specific steps that will accomplish the main goals of the chapter. Also, if you like summaries, turn to Appendix A—a “cheat sheet” for Tribal Leaders; it gives the key action steps that will help you build great tribes.

We’ve written this book to share everything we’ve learned along the way. The goal of this book is for you to become a Tribal Leader without our help. The lessons we offer are ones we observed around us, so we believe we are students of Tribal Leadership, the same as everyone. That said, we hope you’ll share your successes and failures with us, so that we can learn with you. Appendix C gives our contact information. What we learn from you we’ll make available through our Web site (www.triballeadership.net), articles, classes (many of them through the Universities), and speeches.

The Goal of Tribal Leadership

The goal of this book is to give you the perspective and tools of a Tribal Leader: someone who can unstick the conveyor belt—and make it run faster—for whole groups of people, no matter which stage they’re in. The result is more effective workplaces, greater strategic success, less stress, and more fun. In short, the point of this book is for you to build a better organization in which the best people want to work and make an impact.

The means to building great organizations is the use of these “leverage points,” which
are ways of unsticking people so that they naturally glide to the next stage. Unstick enough people, and you’ve swapped one set of tribal dynamics for a higher-performing set and a more capable tribe. Each stage gets more done and has more fun than the one before it. The ultimate expression of Tribal Leadership is companies filled with people who know how to unstick themselves and others—a tribe of Tribal Leaders.

We now turn to the main thrust of how to build greater organizations: the five tribal stages.

Key Points from This Chapter

◆ A tribe is any group of people between about 20 and 150 who know each other enough that, if they saw each other walking down the street, would stop and say “hello.”
◆ They are likely people in your cell phone and in your e-mail address book.
◆ A small company is a tribe, and a large company is a tribe of tribes.

CHAPTER 2
The Five Tribal Stages

Entering Griffin Hospital in Derby, Connecticut, is like going to Nordstrom’s for healthcare. The first clue that this isn’t a normal healthcare company is the valet who squeegees car windows and knows many patients by name. Walk through the front entrance, and the first thing you notice is piano music, soft and elegant, coming from the baby grand in a niche just beside the front door. The second thing you notice is the smell: fresh flowers and wood. In recent years, Griffin has drawn international attention as not only a great hospital but a great employer—ranking fourth on the Fortune list of best places to work in its seventh year on that list.

There are many heroes in the Griffin Hospital story, but two stand out as Tribal Leaders because their efforts have gone a long way to upgrade the tribal culture. The first is President and CEO Patrick Charmel. Tall, lean, midforties, dark hair, soft-spoken, self-effacing, a caring tone in his voice, he seems a cross between a high-tech entrepreneur and a priest. Charmel started with Griffin as an intern while attending a local university, then went to Yale for his master of public health degree and returned as a full-time employee. “Some people still remember me as someone who is nineteen years old,” he says. “No matter what their position, they don’t mind telling me when I mess up.”

The second hero is Vice President Bill Powanda, midsixties, gray, fast-talking, and charming. He is easily moved by the human side of the story. Although Griffin has many lines of communication with the community, Powanda is the perfect person to carry the flame to the outside world. He was born at Griffin and is a former state senator and former board chair of the local Chamber of Commerce. Charmel started as Powanda’s

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intern, and they have worked together for twenty-eight years.

Today’s success is far different from what long-time Griffin employees call the “perfect storm” of the mid-1980s, when the hospital had the oldest physical plant in the state, falling patient satisfaction and market share, and difficulty recruiting staff and physicians. The community was transforming from a manufacturing town in decline to a bedroom community with an influx of young, educated, mobile residents with higher expectations for their healthcare. Griffin’s board authorized a community perception survey and asked local residents this question: “If there is a hospital you’d avoid, please name it.” Of those who responded, 32 percent handwrote “Griffin.” The hospital, it seemed, was doomed, and without any resources to stop the death spiral.

As we see again and again with Tribal Leaders, Charmel and Powanda didn’t save the hospital Superman-style, swooping in to save the day. Rather, they galvanized the tribe of employees, volunteers, board members, and community leaders whose opinions mattered, and the turnaround was a tribal effort. In a sense, Charmel didn’t lead it; he nudged it and then was led by it, and he humbly credits the entire Griffin team for its success. “Our success really is a testament to our culture,” he said. “Looking back, it’s clear that we never could have accomplished this without engaging our employees and getting them involved in the process. I think that’s what distinguishes the approach.”

It started with the question whether Griffin should remain independent or join another healthcare system. Powanda, glancing out the window of his office, says, “We are a fiercely independent and competitive community, and people are used to getting everything they need here, from shopping to church.”

As Griffin administrators went through their options, several executives had their own personal “perfect storms.” Charmel’s father had open-heart surgery at a New Jersey hospital. Another vice president was hospitalized after a car accident. Powanda’s father-in-law was admitted to Griffin with inoperable stomach cancer. Although the cancer was stable, he was bleeding from what the physicians said were inoperable ulcers located behind the tumors. For over thirty days he sat in the critical care unit. “He lost blood and they’d put it back in,” Powanda told us, and after thirty-seven days, his surgeon said, “Today’s the day we shut off your blood supply.” The patient’s wife went after him with her cane, shouting, “Don’t ever come back to this room again!” The family and their longtime primary care doctor finally convinced a young surgeon to attempt to suture off the ulcer. The surgery was successful, and the man went home and lived another fourteen months before succumbing to the cancer.

“The experience was a personal life-altering event,” Powanda recalled. “It became a passion to ensure that others avoided a similar experience by creating a more humane and patient sensitive care model for the patient and family.”

Griffin decided to remain independent and to rebuild itself into a hospital that would

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put the patient first. One operation at a time, Griffin executives focused the staff on the problem and facilitated their finding the solution. A board member argued that if the institution created satisfied patients in the maternity ward, Griffin would keep many of them for years. But what did they want? “Let’s ask them,” the board member advised.

“We went on a marketing research tear,” Powanda said. “We were pioneers in the industry.” Griffin launched surveys and focus groups, and Charmel and a staff member posed as husband and pregnant wife (thanks to a pillow) and toured maternity wards at nearby hospitals. “We put together a long list of what young parents wanted,” Powanda recalled. It included a separate hospital entrance—since expectant mothers said they weren’t sick and didn’t want to be around sick people—double beds, a Jacuzzi for pain relief in early labor, family rooms with kitchens, 24/7 visiting hours, fresh flowers, a spalike atmosphere, and personalized treatment by pleasant staff.

With this long list in hand, the executives sat down to prioritize the enhancements they would offer. In a move that revealed Charmel’s tribal orientation, he stopped the process and asked, an atypical edge in his voice, “What are we doing?” After an awkward moment, he continued, “We know what they want—let’s give it all to them.” Griffin’s leaders agreed, and design work started on a maternity ward that would set the new standard in the Northeast.

The challenge was to involve the staff as partners, in the same way that the executives and board members were collaborating. Instead of telling employees the new vision, Charmel, then assistant to the president, and other executives led a series of all-day staff retreats, taking one twelfth of the employees at a time. In the morning, one of the executives would describe the “perfect storm.” Then they would ask the staff to take the perspective of patients and to answer the question, What would you want your hospital experience to be? As Powanda says, “Lo and behold, they described a scene dramatically different from Griffin and the nation’s hospitals. Open visiting, more information about their medical condition, caring staff—and they were the staff! It was an awakening for everyone.” Almost every one of the twelve groups came up with the same list of what they’d want, and the chatter at the hospital began to turn toward quality, service, respect, and dignity—now the pillars of Griffin’s core values.

During one part of the new building design process, Charmel suggested that Griffin build a full-scale mock-up of the critical components of the new design in a warehouse. Staff members all made suggestions on small slips of paper, eventually giving hundreds of recommendations to the architects. “To this day, people will point to a wall outlet and say, ‘It used to be over there until I suggested they move it,’” Powanda adds.

Charmel, promoted to COO, clashed with the CEO, who thought the solution for Griffin was to focus on its wholly owned HMO. Charmel disagreed with the transfer of financial resources from Griffin Hospital to support growth of the HMO. This shift was thwarting patient service and damaging Griffin’s ability to fulfill its mission. The fight resulted in

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Charmel’s termination.

With the popular COO fired, a revolution began. An underground employee newsletter appeared, urging staff members to “Wear a Yellow Ribbon. Save Griffin and bring back Pat [Charmel].” After three months of turmoil, including petitions, votes of no confidence, and community meetings, the board, acting on advice from consultants and an investigation committee, asked the CEO and executive vice president to resign. The board asked Charmel to return.

On the day Charmel came back to Griffin, now as interim CEO, over four hundred staff members, volunteers, community leaders, and members of the press welcomed him back with a surprise reception at the hospital entrance filled with yellow balloons. It was an emotional “tribal moment” for Griffin.

The level of loyalty to Griffin and Charmel is stunning. It survived the layoffs that followed his return, difficult decisions including closing the money-losing HMO, and even a potential panic after the nation’s fifth anthrax death at Griffin in 2001. As a result, so many people want to see the Griffin miracle that the hospital now charges visitors from other hospitals who want to use the Griffin’s patient-centered care model within their organization. Teams representing almost six hundred hospitals have paid to see Griffin for themselves. The U.S. Secretary of Health and Human Services appointed Charmel to the National Advisory Council for Research and Quality in 2005. Charmel’s office features seven years of Fortune magazine best employer covers. Charmel is blunt in his belief that it is the employees who have put Griffin on the Fortune list as a result of their pride in the organization and their dedication to those Griffin serves. Powanda’s office features pictures of himself with Bill Clinton and Colin Powell, as well as a “Toga Man of the Year Award” from the Connecticut Senate for outstanding civic and community service. Both men turn the credit back to the tribe, which Powanda says includes not only the Griffin family but the community as well. When we asked Charmel about his greatest achievement, it took several seconds of thought before he answered. When he did, he said, “Seeing people live the philosophy. They are my inspiration.”

Tribal Leadership Up Close

What did Charmel and Powanda do that was different from what most leaders do? First, they spent most of their efforts building strong relationships between Griffin’s tribal members—its employees, volunteers, and patients. Second, instead of telling people what to do, they engineered experiences (such as the retreats) in which staff members would look at the same issues they were dealing with, so that strategy became everyone’s problem. Third, they got out of the way and let people contribute in their own way to the emerging tribal goals.

Most important—and hardest to see—they unstuck Griffin’s tribal culture and nudged it forward, stage by stage, until people charged after problems with the zeal of converts.

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not the indifference of hired guns.

In a sentence, this is what Charmel and Powanda did: they built the tribe, and as they did, people recognized them as leaders. The more Charmel and Powanda put the tribe first, the more people respected and identified them, giving their efforts more credibility and impact. This is Tribal Leadership in a nutshell, and this is what you’ll be able to do after mastering the principles in this book.

A visitor who talks with Griffin leaders and staff hears what sounds like false modesty. Charmel and Powanda are adamant that the praise should go to the employees, while people at all levels credit these two (and many others) with the success. Who is right? Tribal Leadership says both. Without the leaders building the tribe, a culture of mediocrity will prevail. Without an inspired tribe, leaders are impotent.

Today, when patients come in, they aren’t treated as customers but rather as members of the tribe. Doctors build relationships between patients and nurses. Volunteers talk up the quality of the physicians to patients. Administrators bring people together and allow the tribe to decide what’s best. Years after the perfect storm passed, Griffin is a hospital with wall-to-wall leaders.

Every tribe has a dominant culture, which we can peg on a one-to-five scale, with Stage Five being most desirable. All things being equal, a Five culture will always outperform a Four culture, which will outperform a Three, and so on. People and groups move only one stage at a time, and the actions that advance people from Stage One to Stage Two are different from those that advance them from Two to Three. Since each stage has a unique set of leverage points that will nudge people forward, most of the “universal principles” from the “log cabin management books” work in only one stage. Try them in another stage and your efforts will fail. If tribes are the most powerful vehicles within companies, cultures are their engines.

Charmel and Powanda inherited a set of overlapping tribes (remember, a tribe is at most 150 people) with an engine in need of repair. In Tribal Leadership language, they had dominant Stage Two cultures. The leaders unstuck people and guided them to a Three. They used a different set of leverage points to bump people to a Four. On its best days—and Griffin has many best days—it operates at a Five.

Each culture has its own way of speaking, or “theme,” that appears whenever people talk, e-mail, joke around, or just pass one another in the hallway. Griffin reveals its tribal cultures when the valet remembers people’s names, and when the nurses introduce patients to doctors as if they were introducing dear friends. After reading the first part of this book, you’ll be able to hear these themes any time two people have even a single conversation. We now turn to the five tribal stages in detail.

Stage One
Fortunately, most professionals skip Stage One (only about 2 percent of American professionals operate here at any given point), which is the mind-set that creates street gangs and people who come to work with shotguns. If people at Stage One had T-shirts, they would read “life sucks,” and what comes out of their mouths support this adage. People at this stage are despairingly hostile, and they band together to get ahead in a violent and unfair world. Although most people reading this book will not have been in Stage One, they’ve seen it on HBO’s Oz or Fox’s Prison Break. Most anthropologists say that human society started at Stage One, clans scratching out an existence while fighting with one another. We’re not going in depth on this stage because organizations usually don’t hire Stage One individuals, and when they do, they are quick to expel them. Chapter 4 goes into what you need to know about Stage One—how to spot it and how to assist people in it to move forward.

We’ve consulted to several organizations with Stage One tribes. One disappeared after a series of accounting scandals. Another had constant problems with employees stealing money—seemingly without remorse. A third was so stressed out that no one was surprised when an employee came to work with a shotgun.

Stage Two

In 25 percent of workplace tribes, the dominant culture is Stage Two, which is a quantum leap from Stage One. People operating at Stage Two use language centered on “my life sucks.” People in this cultural stage are passively antagonistic; they cross their arms in judgment yet never really get interested enough to spark any passion. Their laughter is quietly sarcastic and resigned. The Stage Two talk is that they’ve seen it all before and watched it all fail. A person at Stage Two will often try to protect his or her people from the intrusion of management. The mood that results from Stage Two’s theme, “my life sucks,” is a cluster of apathetic victims. If you’ve ever walked into a meeting and presented a new idea with passion, only to get back looks of passivity, you’ve probably walked into a Stage Two culture. Stage Two is what we see when we watch The Office or walk into the Department of Motor Vehicles. There is little to no innovation and almost no sense of urgency, and people almost never hold one another accountable for anything. During the “perfect storm” at Griffin, the company had a dominant Stage Two culture. Most large companies have pockets of Stage Two, often divisions that don’t have an impact on strategy or direction. Although Stage Two can appear in any discipline, we’ve seen it most often in human resources, procurement, and accounting. That said, we’ve also seen Stage Two in boards of directors, executive suites, sales, and operations.

Years ago, we consulted to an agency of the United States government. When we showed up, employees and managers would stand in their doors of their offices and entrances to their cubicles, looking out at a shared hallway. People looked as if they

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just woke up (and many had). They would hold coffee mugs flaunting messages like “I’d rather be fishing” and “I live for the weekends.” No amount of team building, motivational speeches, discussions of core values, or new strategic plans would make any difference with this tribe. It was solidly locked in Stage Two. As a result, very little got done. The tribe produced few new ideas and almost never followed them up.

The focus of Tribal Leadership is to move Stage Two to Three before asking anything new of the group. Chapter 5 gives the leverage points.

Stage Three

The theme of Stage Three, the dominant culture in 49 percent of workplace tribes in the United States, is “I’m great.” Or, more fully, “I’m great, and you’re not.” Normally, doctors operate at this level on their best days, as do professors, attorneys, and salespeople. Within the Stage Three culture, knowledge is power, so people hoard it, from client contacts to gossip about the company. People at Stage Three have to win, and for them winning is personal. They’ll outwork and outthink their competitors on an individual basis. The mood that results is a collection of “lone warriors,” wanting help and support and being continually disappointed that others don’t have their ambition or skill. Because they have to do the tough work (remembering that others just aren’t as savvy), their complaint is that they don’t have enough time or competent support.

TECHNICAL NOTE: At each cultural stage, there is a specific “fingerprint” made up of language that people use and observable behavior toward others in the tribe. These two almost always correlate perfectly. As a result of lots of people operating together at this cultural stage, a certain mood results. People trained in Tribal Leadership—and you are on your way to being one of them—can detect this mood within a few minutes of walking into a work group.

The gravity that holds people at Stage Three is the addictive “hit” they get from winning, besting others, being the smartest and most successful. Before we judge people at this stage as having big egos, we have to remember that society made them—us—this way. From the time we enter school, the one who knows “2 + 2 is 4” gets a gold star; then it’s our ABCs and a smiley face, an algebra test and an A+, SATs and admission into Stanford, letters of recommendation and an MBA, a great interview and a job offer, and an almost postcoital glow of success. If thirty years of reinforcement aren’t enough, go to Barnes and Noble and look over the books in the business section. From Machiavelli to Robert Greene’s The 48 Laws of Power to anything with Donald Trump’s picture on it, helping people get to and maintain Stage Three is a multi-billion-dollar industry. Once Griffin moved people to the point where they took individual responsibility for crafting a patient experience, they had moved to Stage Three.

Like most professionals, our careers have been spent in and among Stage Three. It’s

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most common in pockets of companies where success is measured on an individual basis: in sales and among executives. We’ve seen it in architecture, real estate, healthcare, law, and a place we know very well—the university.

A typical faculty meeting shows the limitation of Stage Three. One professor after another gives his opinion and says what he thinks should be done. The result is that most educational programs look as if they had been designed by a committee—because they were. Students often ask if faculty ever speak to one another, and the answer is “not often”—at least about important topics.

People show up, do their individual research, teach their classes in a manner described by IDEO’s David Kelley as a “sage on stage,” and then leave. Staff members often gripe that professors see only their little corner of the world, and in many cases the criticism is legitimate.

Organizations run by Stage Three behavior feel dehumanizing. As one former aerospace manager told us, “I thought I was loved until I left. Now I don’t even get a Christmas card from anyone.”

As with Stage Two, no amount of team building will turn this group of self-described star players into a team. Give it a new strategy, and tribal members will show either that they embrace it more than others or that they don’t need it. Again, the focus of Tribal Leadership is to upgrade the tribal culture first. Chapters 6 and 7 give the leverage points for Stage Three.

Stage Four

The gulf between “I’m great” (Stage Three) and “we’re great” (Stage Four) is huge, Grand Canyon huge. This level represents 22 percent of workplace tribal cultures, where the theme of people’s communication is “we’re great.” Although Griffin spikes into Stage Five, it is mostly a Stage Four company. When two people at the hospital meet in the hallways, they’re excited about being with another member of the tribe. Take the tribe away, and the person’s sense of self suffers a loss.

As we watch, Bill Powanda is fully himself, and people are fully themselves. No corporate cult here. Everyone seems happy, inspired, and genuine. You see it on people’s faces as Charmel works the room, and it’s equally true that the room works Charmel. Leading a tribe with a dominant Stage Four culture, the leader feels pulled by the group. At times, Tribal Leadership at this stage is effortless. A most impressive characteristic and display of confidence as we toured Griffin was that everybody—staff, volunteers, doctors—made eye contact with us, which is highly unusual in medicine. As we watch a Griffin meeting from a distance, the overall vibe of the room is “tribal pride,” which is the mood that results from the Stage Four culture. A “we’re great” tribe always has an adversary—the need for it is hardwired into the DNA of this cultural stage. In fact, the full expression of the theme is “we’re great, and they’re not.” For USC football, the “you’re not” is usually UCLA (and in good years, whichever team is contending for the national championship). For Apple’s operating systems engineers, it’s Microsoft (although this is changing as Apple has moved to using Intel processors). Often, it’s another group within the company. A tribe will seek its own competitor, and the only one who has influence over the target is the Tribal Leader. Powanda has argued that

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Griffin’s only worthy competitor is the entire way of doing business in healthcare. The rule for Stage Four is this: the bigger the foe, the more powerful the tribe. Griffin would not be the success it is if it were to target a single hospital as its rival.

People often ask Charmel and Powanda how they can lead the way they do. The real answer is, lead by building a Stage Four critical mass culture in the tribe, and then they’ll recognize you as a leader. The other part of the answer is to remember that these are consecutive stages, so attempt to build a Griffin-style culture only with people who are already at Stage Three. Charmel and Powanda had to move the tribe from Stage Two to Three before instilling the “we’re great” hallmarks of Four. We will show how this is done in later chapters.

Chapter 8 is the realm of Tribal Leadership. When groups get to this point, they see themselves as a tribe, with a common purpose. They commit to shared core values and hold one another accountable. They will not tolerate The Office–style performance or the personal agenda of Stage Three. Fully three-quarters of tribes operate below Stage Four, and those in the zone of Tribal Leadership haven’t stabilized at this level. As a result, they oscillate in and out of “I’m great” (Stage Three). The purpose of this book is to build great companies, and this means getting you and your tribe to Stage Four. Since tribes move only one stage a time, only those at Four can make leaps into the most advanced stage, described below.

TECHNICAL NOTE: In the West, the word “tribe” is increasingly being used to represent a social unit, bigger than a group but smaller than a society. That is how we’re using the word.

Many people who have done work in Africa, including Spiral Dynamics author, Don Beck, cautioned us against the use of the word “tribal.” Having been to Africa, we understand the concern. “Tribalism” (in a different sense than we mean the term) has been responsible for torture, war, and genocide. To be clear, Tribal Leadership for us means Stage Four, a culture based on a “we’re great” language screen emphasizing shared core values and interdependent strategies. Tribalism, as the word is often used in parts of the developing world, refers to the violence and despairing hostility of Stage One. Ethnic cleansing and other horrors are inconceivable in a Stage Four tribe.

Stage Five
Stage Four is a launching pad for Stage Five. When we explain this last stage, which reflects less than 2 percent of workplace tribal cultures, we see skeptical looks coming back at us. Stage Five’s T-shirt would read “life is great,” and they haven’t been doing illicit substances. Their language revolves around infinite potential and how the group is going to make history—not to beat a competitor, but because doing so will make a global impact. This group’s mood is “innocent wonderment,” with people in competition with what’s possible, not with another tribe.

Teams at Stage Five have produced miraculous innovations. The team that produced the first Macintosh was at Stage Five, and we’ve seen this mood at Amgen. This stage is pure leadership, vision, and inspiration. After a short burst of activity, Stage Five
teams recede to Stage Four to regroup and attend to infrastructure issues before possibly returning to Five. In sports, these bursts win Olympic gold and Super Bowl rings. In business, these explosions of leadership

TABLE 1

<table>
<thead>
<tr>
<th>Stage</th>
<th>Mood</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Innocent Wonderment</td>
<td>“Life is great”</td>
</tr>
<tr>
<td>4</td>
<td>Tribal Pride</td>
<td>“We’re great (and they’re not)”</td>
</tr>
<tr>
<td>3</td>
<td>Lone Warrior</td>
<td>“I’m great (and you’re not)”</td>
</tr>
<tr>
<td>2</td>
<td>Apathetic Victim</td>
<td>“My life sucks”</td>
</tr>
<tr>
<td>1</td>
<td>Despairing Hostility</td>
<td>“Life sucks”</td>
</tr>
</tbody>
</table>

make history. Griffin is a model for the best organizations in the world as its culture oscillates between Stage Four and Stage Five.

Table 1 summarizes the five cultures.

You Can Take the Person Out of the Tribe . . .

In the Austin Powers movies, Mini Me was always a loyal follower— but you had to keep up with who had his loyalty. When backing Dr. Evil, Mini Me would stop at nothing to kill or harass Austin Powers. When his allegiance switched to Austin, our little hero then attempted to take out his old master’s influence. It might be said that we are all Mini Me’s for the cultures that dominate our tribes.

When a person soaks long enough in a Stage Three tribe, she becomes an ambassador for that culture, even when moved to other environments. At the same time, the culture the person soaked in was shaped by her influence. People’s default stage, and the cultures around them, mold each other. Over time, the language the person speaks and that of the tribal stage sync up. You might say that Mini Me and his boss shape each other. We can predict the performance of the tribe by counting the number of people who speak the language of each stage, and noticing who is in positions of leadership. The one factor that makes Griffin extraordinary (after its turnaround) is the high number of Stage Four people who talk Stage Four language. If someone at Griffin were to talk the language of Stage One or Two, the tribe would reject that person. When the old CEO fired Charmel, the tribe refused to accept the decision. That’s the power of tribes: they accept who we are, or they mold us. If we reject their advice, they ostracize us. Very few people have the ability to change a tribe’s dominant stage.

Those people are Tribal Leaders.

Most companies we’ve seen have tribes that are mixtures of Stages Two, Three, and Four, with most people hovering around the dividing line between “my life sucks” (Stage Two) and “I’m great” (Stage Three). Here’s what results:

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A battle ensues between the personal agenda-driven people at Stage Three and the vision-driven people who talk Stage Four, with those at Stage Two largely sitting back to see who wins.

Executives get frustrated that change is so hard to implement. Senior managers read Jack Welch’s books and fire the bottom 10 percent of performers. Amazingly, people just redistribute to the stages as other people leave. The company buys hundreds of copies of Who Moved My Cheese? or sends its people to time management training. On top of this tribal chatter, the CEO fights to make quarterly earnings, and the head of human resources wonders why trust and communication are always the weak points on the climate survey. People complain about “all the politics around here,” but despite money spent on training and time spent away from work, things never seem to change.

So far, we’ve seen that people always form tribes and that the dominant cultural stage determines effectiveness. The way to move the entire tribe’s performance to the next level is to move the critical mass to the next stage. This process involves moving many people forward, individually,

by facilitating them to use a different language, and to shift their behavior accordingly. As that happens, the tribe itself will produce a new, self-sustaining culture. When it gets to Stage Four—like Griffin—it won’t tolerate people who talk Stage Three or below.

Each person in this tribe is on a journey through the stages, and the tribe makes that journey long or short. The job of you as Tribal Leader is to expedite this journey for each person, so that a new critical mass forms at Stage Four. When that happens, the tribe will see itself as a tribe, just as Griffin does, and embrace you as the leader. This is Tribal Leadership in a nutshell.

When we refer to working with individuals in this book, we do not mean changing their beliefs, attitudes, motivation, or ideas—or anything else that isn’t directly observable. Tribal Leadership focuses on two things, and only two things: the words people use and the types of relationships they form. (We’ll warn you now: there is one exception to this rule, which is in Stage Five.)

Moving a person from one stage to the next means intervening in a certain way to help this person change her language and set up different types of relationships. As that happens to one person and then another, the entire tribe goes through a change as a new cultural stage becomes dominant. We call these ways of intervening leverage points, and they are summarized in

Appendix A for all five cultural stages.

TECHNICAL NOTE: Unlike most researchers, we weren’t interested in where people came from—what psychologists call their socioeconomic status. We ignored their age, gender, income, and ethnicity. As our research base expanded to include people in Asia, Europe, and Africa we even ignored people’s native language. We didn’t profile their personality type, measure their IQ, or ask about their education level. Rather, our research stems from an ancient way of understanding people: that they—we—create our reality with language.

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Appendix B gives the full version of this story, including the scholars we’re indebted to, but for now it’s enough to say this: when a person looks out at the world, he sees it filtered through a screen of his words, and this process is as invisible to him as water is to fish. We see the world and our words in one impression, as if we’re looking at a forest through a green filter. We can’t see what’s really green and what’s not. If we were to walk around with the filter in our eye long enough, we’d forget it was there, and life would just be green.

A Journey through the Stages

People come to this book at various stages, and that’s natural. The point is to learn the language and customs of each stage, to inspire others along as they help you along, graduating everyone up to the “we’re great” language of Stage Four, which is the launching pad for Stage Five. You literally cannot make this journey alone—your tribe will either help you or prevent your forward movement. In fact, you can move forward only by bringing others with you. Tribes are more influential than individuals, no matter how smart or talented they are. As you move forward either you will become a Tribal Leader—upgrading your tribe with you—or you will stall. The only exception to that rule is that there are people who have changed themselves by switching to a new tribe.

Without any external coaching, people advance through stages very slowly. Children usually start school at Stage Two on that first day of kindergarten—disconnected, trapped, and wanting to go home. In short, their lives suck, and that’s what they say. As they make friends, paint with those huge brushes, and learn the ABCs, they feel accomplished and rise to Stage Three, saying that they’re pretty great. Most formal education, by design, keeps people at Stage Three all the way through graduate school, with each course showing them what they don’t know (often bumping them back to Stage Two for a time), imparting knowledge, and allowing them to prove they have learned it through exams and papers. Depending on their grade and how much they care, they graduate somewhere in the Two to Three range.

When people take their first job, they talk about their achievements but also miss their friends, and again they are in the range of Stage Two to Three. People often feel stuck for a while, or they have a setback when they start saying the boss is an ass (and that their lives therefore suck).

People regress to the ineffectiveness of Stage Two; perhaps they spend the weekends talking about how true Dilbert is and that they can’t do anything about it. Then they find their groove and some success, and they move up early to mid-Stage Three, again exuding “I’m great” language. Many people live their entire lives in Stage Three, eventually mentoring people at Stage Two as their way to “give back.” This mentoring often sounds a lot like Donald Trump (“here’s what I would do”), only nicer.

Professionals usually cap out at Stage Three. Attorneys, accountants, physicians, brokers, salespeople, professors, and even the clergy are evaluated by what they know and do, and these measuring points are the hallmarks of Stage Three. “Teams” at this point mean a star and a supporting cast—surgeon and nurses, senior attorney and associates, minister and deacons, professor and TAs.

People start the climb to Stage Four in one of two ways. The first is that they have an epiphany that Stage Three won’t get them the success they crave, and then they seek

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out a stronger community. The second, common in high technology and the sciences, is that they join a technical project that is bigger than one person can take on. The group that forms is much closer to a real team—more than the “star and support cast” of Stage Three. As people see the results of this collaboration they adapt and become full contributors. Until the mid-1980s, such groups were the exception. As the complexity of tasks and their technological requirements have soared, people have been pushed into Stage Four. Today, business schools believe their mission is to turn out team players—although the evidence suggests they are really turning out Stage Three people who can act like Stage Four individuals.

Chapter 7 delves into the set of insights that people need to make the leap to Stage Four. These epiphanies hit at many levels: intellectual, emotional, even spiritual. In that chapter, we get serious about the divide that keeps most American professionals speaking “I’m great” on their best days. That chapter explores nuisances that will send some of you reaching for Tylenol to soothe your headache—the same headache we had in interpreting data and making sense of what makes truly great leaders.

The Promise of Moving to the Next Stage

The tribal cultures form a bell curve with its peak at Stage Three. Shifting the center of this distribution from Stage Three to Four makes the tribe visible to itself, and others, as was the case in Griffin and in the young American colonies in the time of George Washington. We’ve whispered in the ears of dozens of Tribal Leaders as they have created stable Stage Four cultures, resulting in the following benefits:

• People collaborate and work toward a noble cause, propelled from their values.

• Fear and stress go down as the "interpersonal friction" of working together decreases.

• The entire tribe shifts from resisting leadership to seeking it out.

• People seek employment in the company and stay, taking the company a long way toward winning the war for talent.

• People’s engagement in work increases, and they go from "quit on the job but still on the payroll" to fully participating.

• Organizational learning becomes effortless, with the tribe actively teaching its members the latest thinking and practices.

• People’s overall health statistics improve. Injury rates and sick days go down.

• Setting and implementing a successful competitive strategy becomes stunningly easy as people’s aspirations, knowledge of the market, and creativity are unlocked and

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• Most exciting for us is that people report feeling more alive and having more fun.

In short, companies with tribes at the later stages earn more, employ better performers (and upgrade the performers they have), serve their markets, and have a blast doing it. Everyone wins—except those individuals unwilling or unable to adapt from Stages Two and Three. The next chapter is your navigation guide to this book. Most corporate tribes are mostly at Stage Three or below. Where's yours? The next chapter will help you find out, give you a few rules of the Tribal road, and then direct you to the chapter that will give you the tools to nudge your group to the next level.

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