

As Seen in CSQ Magazine

Culture, Community & Love – A Business Advantage?

Tucker Hughes

The most successful companies on the planet all share one thing in common.

They are world-class recruiting machines and have mastered the art of identifying, securing, and training both the current and future superstars of the professional world. Perks are rampant, pay is high, and prestige unparalleled. It begs the question: What can small or medium-sized companies do to compete with what are oftentimes billion-plus-dollar conglomerates that suck up the most qualified candidates from the job market? Fight them with culture, community, and love.

Culture

The best cultures are authentic, fully understood, and completely embraced by their teams. They boast a concentrated dose of commitment to their company's shared values and, like most important things, take a long-term commitment to fully optimize.

Daniel Coyle, author of *The Talent Code*, has dedicated an enormous part of his life to researching how to be an expert. The biggest predictor of success at developing a new skill? Here's a hint: It's not just "practice" alone, but rather mentally committing in advance to pursue a goal for a long period of time. This is applicable to culture in two ways. First, a company must take an extremely long-term approach to refining and mastering a culture suitable for its organization. Equally important, each member of the team needs to be fully

devoted. The combination of these two ingredients is a powerful inducement to developing a world-class culture.

Another critically important piece of culture? Building shared habits as a team. One of the most compelling examples of this in action is the story of Alcoa's success under the leadership of Paul O'Neill. Alcoa is an enormous manufacturing conglomerate primarily working with lightweight metals like aluminum. O'Neill took over as CEO in the late 80s and his first act as captain was to announce a myopic focus on making the company the safest in America; undoubtedly a challenging task when its core business consists of handling dangerous machinery and scorching hot metals. Investors were terrified. In their minds, profits should be the focus, and nothing else. What they failed to realize is the chain of events that this new safety initiative set into motion. Everything in the manufacturing process was put under scrutiny, and the shared focus, coupled with a reduction of material waste, dramatically lowered costs. Disability and training costs also went down, and productivity soared. The side effect that was most important to the company's growth, however, was strong internal communication and the free flow of new ideas. In only 13 years' time, Alcoa quintupled its net income.

Community

Warren Buffett often references something he calls "the institutional



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imperative." He defines this as the tendency of executives to mindlessly imitate the behavior of their peers, no matter how foolish it may be to do so. Not something I would want Mr. Buffett himself to ever accuse me of doing, but nevertheless, this concept is on full display in many highly visible companies across the world. And unfortunately, it's a trap that is easy to fall into as we all are innately conditioned to be similar to our peers. That being said, through a strong sense of community, some outliers are able to maintain a distinctly different approach to their business operations.

Bridgewater Associates is one of the largest hedge funds in the world,



The Hughes Marino hiking crew at the top of Mt. Whitney in California.

managing over \$150 billion in client assets. It has become extremely well known not only for its expert investment track record, but also for some weird quirks. Most notably, it has a management philosophy of radical transparency. Gossip is forbidden; however, public criticism – even of the executive team – is somewhat expected. What would be otherwise private conversations are recorded and kept on file for team members to listen to at their leisure. While this might be a little extreme for industries that aren't purely quantitative in terms of performance, there is a lesson to be learned here. Being on the same page and having your team members truly respect one another, to the point where they can voice their opinions publicly, is extremely important. It also guarantees that problems will be surfaced and swiftly dealt with in a satisfactory manner. After all, if they aren't handled appropriately, no one will be allowed to gossip on the subject.

This type of community creates high personal accountability for every person on the team. Getting to the "truth" really matters. So does productivity,

the single biggest bottleneck of which is often decision fatigue at an individual level. One can only work so long without succumbing to mental exhaustion and seeing large drops in daily performance levels. Even harder is maintaining focus while being micromanaged. If your team is fully invested in accomplishing its defined goals, there is little risk of problems developing due to lack of oversight, and a lot to gain from the increased attention span and workflow.

Community gives us belonging, promotes open communication, and creates an atmosphere of accountability. All of these are critically important ingredients to turbocharging company growth and avoiding costly pitfalls.

Love

Finally, what does love have to do with it all? Great teams love one another. They love what they do and the spirit in which they do it. It puts them in a reflective position where they are no longer in it for themselves, but rather in it for each other. Take care of the team, and they will, in turn, take care of your clients. It's important to remember that exceptional

corporate culture is an anomaly. Even with dedication and consistent effort, the most developed of teams can unfortunately revert to being average. It's everyone's responsibility to create an amazing place to work and, just like financial success for the company, it has to be earned every single day. □

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