

management focus

essential management knowledge for today's leaders



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David Whitlinger



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Welcome to our new-look Management Focus

... and welcome to the January/February issue.

A strong corporate culture is a powerful thing. Culture sets the rules, manages the players, and doles out the consequences. Culture defines the very game itself. But what happens when significant change is introduced into this system?

Do cultures actually change? Can stories change a culture? How can they do this? For stories to impact a culture, they must first get "into the bloodstream." Find out how in our featured article.

David Whitlinger serves as the director of Healthcare Device Standards and Interoperability for the Intel Corporation in its Digital Health Group.

Mr Whitlinger is responsible for Intel's healthcare device interoperability strategies and the standards development to support those strategies. He is currently leading a large, cross-industry consortium, the Continua Health Alliance, focused on the establishment of an ecosystem of interoperable, personal telehealth systems.

Finally, the topic on everyone's lips at the moment is that the global economy is in the crushing grip of financial turmoil. Our latest instalment of *Management Matters* provides incisive commentary from hedge fund manager, Hugh Hendry.

Hugh has 18 years' industry experience, and in October Channel 4 *Dispatches* followed him as he travelled from the Square Mile in London to Wall Street in America for their programme "Don't Bank on the Bailout."

Remember, log on to our website at <http://first.emeraldinsight.com> to expand on the topics highlighted in this issue of *Management Focus*.

We would like to take this opportunity to wish all of our readers a happy and prosperous 2009.

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Can stories really change a culture?

What is culture?
In an organizational context, culture is: “the behaviours and beliefs characteristic of a particular organization.”

These behaviours and beliefs emerge over time, usually as a result of strong founder or CEO influence (think Microsoft, GE, and IBM), a “near-death”

experience (AT&T), a positive customer reaction to the business model (Dell, FedEx, and McDonald’s), or a particular work ethic (Accenture). Many company cultures have been shaped by a combination of these forces. Like a virus, these behaviours and beliefs infect every aspect of the business, from hiring practices to corporate governance.

A strong corporate culture is a powerful thing. Culture sets the rules, manages the players, and doles out the consequences. Culture defines the very game itself. But what happens when significant change is introduced into this system? Like a new organ being introduced to a human body, strong drugs must accompany this change lest the body reject it!

Cultures do change. Slowly, sometimes imperceptibly, attitudes and beliefs shift from what were once non-negotiable certainties towards a completely new way of looking at things.

Do cultures actually change?

On a broad social level, consider how attitudes and beliefs towards slavery and civil rights have changed. On an economic level, look at attitudes towards globalization and shifting work around the world. On an organizational level, look at how we have changed our attitudes towards how and where the work gets done. On an individual level, look at how we have changed the tools we use to get the job done.

Cultures do change. For example:

- *Social change* – slavery: used to be a fact of life for many.
- *Economic change* – globalization: secure, blue-collar jobs based on a high-school education used to be plentiful.
- *Organizational change* – work design: your office was for your work life and your home was for your personal life.
- *Individual change* – work tools: phones used to have cords attached and information had to be looked up in a book.

These changes in attitudes and beliefs, of course, happen over time. And they happen in fits and starts ... it is rarely a clear, straight path to a new understanding. But change does happen.

Can stories change a culture?

Yes. Stories are the most powerful way to change a culture. Since the building-blocks of culture are behaviours and beliefs, these must be addressed head-on for change to take hold. One mistake that leaders make repeatedly is to over-rely on facts to tell people what's changed, as if a clearer understanding of the facts will suddenly affect their behaviour. This approach doesn't work any better than relying on the facts to tell people that smoking will kill them.

We don't change people's behaviours and beliefs by saying to them, "Well, as a health insurance company, we used to be about paying claims for sick people, but now we are about helping people live healthier lives". Instead, we tell stories about how one of our customer representatives used claims history to notice that a woman's child was showing the early warning signs of diabetes and provided her with information that helped her son avoid spiralling into the disease.

Stories are sticky. Because stories are character-driven, people can easily

“One mistake that leaders make repeatedly is to over-rely on facts to tell people what's changed, as if a clearer understanding of the facts will suddenly affect their behaviour”

relate the action of a story to their own context. Unlike bullet points on slides and in e-mails, stories do a number of things well that help people better understand not just the “what”, but the “how” and “why”. The how and the why are the only things that help people change their behaviours. We can tell people what to do until we are blue in the face, but only when we engage them in the how and why do we have a chance of impacting their beliefs.

How do stories change a culture?

- *Stories “add back” context*: When we show people slides with bullet points on them, what we are actually showing them is a lot of rich information that has been stripped

down to its bare minimum for expediency's sake.

- *Stories carry success and failure*: A story lets listeners/viewers “see” the differences between success and failure, and the behaviours that lead to both. A story helps to put the listener in the centre of the problem.
- *Stories help us reflect and learn*: Whereas bits and bullets fly by us and bounce off us without even being noticed, a story helps us look around and see multiple perspectives and ways of dealing with issues.
- *Stories influence*: A story doesn't “tell you what to do”, but rather lets you draw your own conclusions. In that way, stories influence us to create the right kinds of behaviour.



“With leadership and proper reinforcement over time, the culture begins to change”

These powerful aspects of stories draw on both our intellect and our emotions to help us imagine the changes that need to be made, and to “see” ourselves as part of that process. With leadership and proper reinforcement over time, the culture begins to change.

Into the bloodstream

For stories to impact a culture, they must first get “into the bloodstream.” There are two main ways in which stories are communicated into organizations:

1. verbally; and
2. digitally.

Telling stories verbally

Leaders in organizations often tell stories, especially when the pace of change is accelerating. They tell stories when they create strategy and when they introduce a new product. But often, the only audience receiving these

stories is their immediate peers. As leaders, we need better ways of making sure that we are telling the right stories that animate the change we are trying to drive.

Telling stories digitally

When a story or set of stories needs to reach large numbers of people, leaders must rely on digital means to get their stories told. Organizations have many communication tools available to them – e-mails, presentations, newsletters, and portals. While accessible and quick, these familiar methods only communicate the “what” and they fail to deliver on the “how” and “why”.

Just like using a high-powered computer as a mere calculator, we often strip down our communications to accommodate the delivery vehicles that are expedient. Innovative leaders are just beginning to use digital delivery vehicles to broadcast their stories widely into (and outside) their organizations.

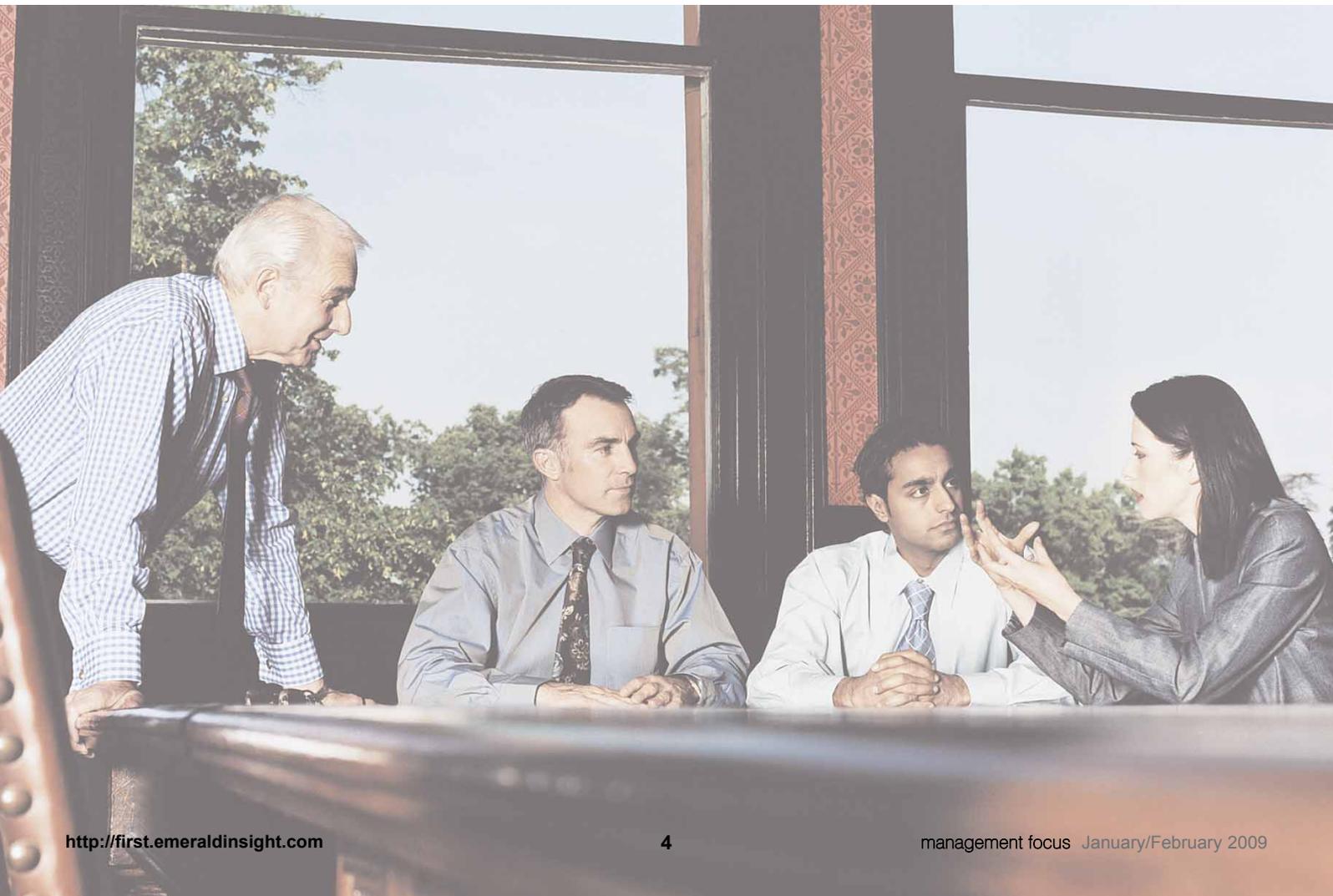
Gaining momentum

When leaders “push” stories out into the organization both verbally and digitally, an interesting phenomenon occurs. What begins as a “push” strategy is transformed into a “pull” strategy by the viral nature of stories.

Once in the bloodstream, the stories are shaped, embellished, retold, and thereby gain momentum. Just like great new ideas and technologies, these stories *slowly change the culture* as they move through the organization.

This is a shortened version of “Can stories change a culture?”, which originally appeared in *Industrial and Commercial Training*, Volume 40 Number 3, 2008.

The author is Craig Wortmann.





David Whitlinger serves as the director of Healthcare Device Standards and Interoperability for the Intel Corporation in its Digital Health Group.

Mr Whitlinger is responsible for Intel's healthcare device interoperability strategies and the standards development to support those strategies. He is currently leading a large, cross-industry consortium, the Continua Health Alliance, focused on the establishment of an ecosystem of interoperable, personal telehealth systems.

Mr Whitlinger has been with Intel since 1993 and prior to establishing the Healthcare Device Standards Group he worked on a wide variety of wireless standards. As a result, Mr Whitlinger and his team are leaders in many standards organizations throughout the world.

AC: Generally speaking, what would you cite as the main lifestyle, health and demographic trends contributing to the sky-rocketing costs of healthcare in the United States?

David Whitlinger: There are two. One of them makes it to the newspapers quite frequently at this point. It is best characterized as the diseases associated with obesity, but more and more of the papers are starting to refer to it as "lifestyle disease" or "lifestyle attributed disease." What that means is that poor diet and a sedentary lifestyle are leading to health risk factors such as obesity, diabetes, congestive heart failure and other chronic diseases. Compounding that, of course, is our aging demographic.

AC: Continua is an impressive example of cross-industry collaboration, with over 113 corporate partners involved. How difficult is it to manage relationships and such potentially varied pools of opinion?

David Whitlinger: That's a great question! It is very interesting, and it has been a very interesting journey over the last three years for that exact reason. As you can see, there is a wide variety of different companies involved, and if I could characterize one of the more significant ways of compartmentalizing, there's a large number of consumer

An Interview with

David Whitlinger

Interview by Alistair Craven

electronics companies, or companies that are more used to working and operating in a consumer electronic marketplace. Then there's the health industry. The melding of those two is what has made Continua so unique in addressing consumer or personal telehealth, but that melding has also created interesting conversations about how we work together, because one side comes from a space of high regulation, safety, efficacy and "it's only proven when it's clinically proven." The other side comes from a rapid prototyping, quick design, consumer-driven, focus group-driven environment. The learning that has crossed between those two different market spheres and sets of organizations has really been fascinating and unique, and what has enabled Continua to be so successful.

AC: What is Continua's vision of a "personal health eco-system"?

David Whitlinger: One of the principal elements is about patient centricity. An individual is empowered – through devices and services that our member companies can provide – to take charge of his or her own healthcare. We break it down into three large categories.

The first is health and wellness, and in that context somebody has the authority to monitor their daily living through pedometers and cardio-vascular equipment, and all those data connect into Internet services via their PCs and cellphones. They can measure and monitor things that would be contributing to obesity and pre-chronic conditions.

The second is chronic disease management. This is – unfortunately – all about monitoring and managing somebody who already has a chronic disease. Again, we are interested in providing people with devices such as blood pressure tools and glucose meters and weight scales so they can monitor their disease in the comfort of their own home, or if they are a diabetic perhaps they are doing it on the move. The data flow into Internet services for monitoring

purposes and the provision of clinical intervention if necessary.

"There's a big appetite to take what we have already done and build upon it. Seeing that momentum and excitement, five years from now I would definitely see the Continua brand and logo as being almost consumer-aware."

The last category is aging independently, and that's all about our aging demographic and helping family members and elders age more gracefully in their own homes, and again providing services to help manage that.

AC: A slightly crystal ball question for you now, but where do you see Continua in, say, five years' time?

David Whitlinger: Well, we are looking at shipping products next year. We already have five products knocking on the door to be certified. By the end of next year we are looking forward to having 30 or 40 products in the market that are certified and have Internet services to support them. We have already started with our "Version 2" guidelines and use cases, and our technical group has started to break those down. There's a big appetite to take what we have already done and build upon it. Seeing that momentum and excitement, five years from now I would definitely see the Continua brand and logo as being almost consumer-aware. That might not be advertisements at the Superbowl level, but certainly along the lines of people knowing that, when they buy a cellphone with a Continua logo on it, it will work with their pedometer or weight scale or glucose meter.

To read a longer version of this interview visit
<http://first.emeraldinsight.com>

Management Matters



The global economy is in the crushing grip of financial turmoil. Like a giant, invisible tourniquet, consumer confidence has been progressively

strangled as once buoyant banks rein in their debts.

Hugh Hendry is a colourful and outspoken hedge fund manager in London whose billion-dollar fund operates in the very eye of the financial storm. For Hugh, the time for finger pointing is over. The blame for what we are witnessing lies squarely at the door of the financial élites and governments who were all "asleep at the wheel."

"I'd say that it's almost predestination, it's meant to be. You will never stop it happening, and it will happen again", Hugh tells Emerald. "It will happen 70 or 80 years in the future when we're gone. There's a reason why human beings typically die off no later than

their 80s. They die off so that the memory of their mistakes is erased and so future generations can repeat the folly of greed and fear."

Disturbing words indeed. In a banking system awash with "cheap" money and relaxed lending, Britain's Royal Bank of Scotland staggeringly amassed a balance-sheet greater in value than the entire British economy. Why was it allowed to happen?

"In a banking system awash with 'cheap' money and relaxed lending, Britain's Royal Bank of Scotland staggeringly amassed a balance-sheet greater in value than the entire British economy."

For Hendry the answer is simple. "Imagine a game of coin-tossing, heads you win, tails you lose. If the house allows you to double up every time you

Incisive commentary on topical business issues

lose – so every time you get tails you double your bet – you cannot lose. It's a mathematical certainty that you cannot lose. If you go to a casino in Las Vegas and you pursue that strategy, you can't because it is banned. It is banned because the house gives you a limit. What we saw in the financial markets, unlike the casinos of Las Vegas, was that there was no house limit ..."

As governments sweep to the rescue of once colossal but now ailing financial institutions, there is one notable absentee: Lehman Brothers. With a history dating back to 1844, Lehman has become one of the highest profile casualties so far. Hendry is unsympathetic. "Lehman Brothers was a monstrosity of excessive risk taking" he says. "We wanted to run those guys out of town, but with the benefit of hindsight we've cut our nose off to spite our face."

He has a point. By allowing Lehman to fail, we effectively "undermined any last vestiges of financial confidence in the present system." The cost now runs to "trillions of dollars" in terms of the amount of money wiped off stock markets by that one decision.

Economic commentators are debating the virtues of re-regulation and strict policing of banks to prevent a repetition of the carnage. Is this really the solution? "Finance is the most over-regulated part of the economy", muses Hendry. "You don't like going to a party where the host pulls out the plug, turns the music off, closes the bar and tells you all to go home. That is the role of a regulator."

But the "party" of financial freedom truly is over. When the music finally stops, who will be left standing?

If you would like to know more about what Hugh Hendry has to say on the current financial crisis please visit <http://first.emeraldinsight.com>





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Final thought ...



A business has to be involving, it has to be fun, and it has to exercise your creative instincts.



Richard Branson

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