



# SETTING THE RIGHT TONE SUPPORTS CULTURE

CHIP NAGLE  
President

The most effective CEOs have the ability to set the tone of an enterprise, in fact, that is solely their preserve. Tone differs from culture, but its positive presence is key in that it reinforces both culture and mission. Tone is the glue that binds decision making and the interactions of people. The CEO communicates the desired tone directly and indirectly. Directly in statements that are both spoken and reinforced in writing to an organization. This objective-driven communication tries to ensure that ambiguity and filtering around his/her comments are minimal. Indirect communication naturally flows from perceptions formed by the organization's members pertinent to the CEO's actions that *infer* the underlying tone. It is natural that lower-level leaders take as their principal guide what they perceive to be behind the actions of top tier level executives and the CEO in particular. Do as I say, not as I do doesn't work with children and has even less chance with the management of an organization.

The CEO's main visible task is resource allocation, both financial and human, and those decisions are observed principally by capital expenditures and human resource related actions. So, the key question becomes how these actions are perceived by leaders outside the C-Suite and farther down the food chain. Good intentions are of no value if the perception of the organization is different. Perception matters. If there is a perceived gap between rhetoric and action, disillusionment and lack of faith in the senior executive leadership team will follow closely behind. Consequently, the CEO must consider not only the decision itself but also, and, perhaps even more critical, how communicating those decisions could impact the probable perceptions of lower-level executives. Those leaders will, in many instances, be counted on to implement and execute and that is where the rubber meets the road. They don't get to share or participate in the CEO's thought process. That the decisions are right can be of little consequence if they are perceived by others as conveying a tone in conflict with what was guiding the CEO's thought process.

The decisions that are most sensitive to tone are those "visible" choices involving service lines to fund with a larger budget, choices involving people to put in key positions, strategic excellence positions that will differentiate the health system from others, where discretionary capital is allocated or where it is not, etc. From these, the CEO's priorities, and possibly those of the executive leadership team, will be inferred both from the choices that are made, and, perhaps more importantly, the choices that are avoided. When both culture and underlying tone are in rhythm, the potential success of the organization is close to guaranteed. The chance of that happening can be reinforced by hiring for culture "fit" and by retaining those hired with continued leadership development. Our talent solution focuses on both!!