Tribal Leadership
Leveraging Natural Groups to Build a Thriving Organization

THE SUMMARY IN BRIEF

It’s a fact of life: birds flock, fish school, people “tribe.”

Every company, indeed every organization, is a tribe or, if it’s large enough, a network of tribes — groups of 20 to 150 people in which everyone knows everyone else or at least knows of everyone else. Tribes are more powerful than teams, companies or even CEOs, and yet their key leverage points have not been mapped — until now. In Tribal Leadership, Dave Logan, John King and Halee Fischer-Wright show leaders how to assess their organization’s tribal culture on a scale from one to five and then implement specific tools to elevate the culture to the next level. The result is unprecedented success.

In a rigorous eight-year study of approximately 24,000 people in more than two dozen corporations, Logan, King and Fischer-Wright refine and define a common theme: The success of a company depends on its tribes, the strength of its tribes is determined by the tribal culture and a thriving corporate culture can be established by an effective tribal leader.

The often counterintuitive findings of Tribal Leadership will help leaders in today’s major corporations, small businesses and nonprofits learn how to take the people in their organization from adequate to outstanding.

IN THIS SUMMARY, YOU WILL LEARN:

• How to understand, motivate and grow your tribes.
• The Five Stages of Tribal Leadership and the navigation system to guide your effort to move people through the stages.
• The secrets that have led the highest-level tribes to remarkable heights.
• How to find new ways to succeed where others have failed.
• How to employ your company’s tribe to maximize productivity and profit.
The authors: Dave Logan is co-founder and a former partner of the management-consulting firm CultureSync. John King is co-founder and senior partner of CultureSync. Halee Fischer-Wright is a former CultureSync partner now in private practice as a physician in Denver.


PART I: THE TRIBAL LEADERSHIP SYSTEM

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.”

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 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.”

What Is a 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.

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 health care institutions; the research and development division of a mammoth high-tech firm; and the operational executives of a major drug company.

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. They determine how much work gets done, and of what quality.

Some tribes demand excellence from everyone and are constantly evolving. Others 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, cult-like 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.

The Five Tribal Stages

Every tribe has a dominant culture, which we can peg on a one-to-five scale, with the goal being stability at Stage Four and, on occasion leaps to Stage Five. All things being equal, a Five culture will always outperform a Four culture, which will outperform a Three and so on. (Stage Five is unstable but can produce history-making innovation.) 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.

If tribes are the most powerful vehicles within companies, cultures are their engines. Here is an overview of the Five Stages:
Stage One

Fortunately, most professionals skip Stage One (only about 2 percent of American professionals operate here at any given point), which is the mindset 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 supports this adage. People at this stage are despairingly hostile, and they band together to get ahead in a violent and unfair world. Most anthropologists say that human society started at Stage One — clans scratching out an existence while fighting with one another.

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 culture stage are passively antagonistic; they cross their arms in judgment, but 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.

Stage Three

The theme of Stage Three, the dominant culture in 49 percent of workplace tribes in the U.S., 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.

As with Stage Two, no amount of team building will turn this group of self-described star players into a team.

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.”

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 Stage Three.

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 not 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 Stage Five. In sports, these bursts win Olympic gold medals and Super Bowl rings. In business, these explosions of leadership make history.

The Tribal Leadership Navigation System

The key to locating your tribes is to listen for how most people talk and notice how most people structure their work relationships. You’ll see elements of many cultural
Signs of Stage One. Most people talk as though they are alienated from organizational concerns. When they cluster together, they form isolated gangs that operate by their own rules, often based on absolute loyalty to the group. Many people are socially alienated, never talking to anyone. The theme of their words is that life has given them a bad deal, so it’s OK to do whatever it takes to survive. There may be acts of violence, such as fistfights or extreme verbal abuse. Minor acts of theft or vandalism are a problem.

Signs of Stage Two. People talk as though they are disconnected from organizational concerns, seeming to not care about what's going on. They do the minimum to get by, showing almost no initiative or passion. They cluster together in groups that encourage passive-aggressive behavior (talking about how to get out of work or how to shine the boss on) while telling people in charge that they are on board with organizational initiatives. The theme of their communication is that no amount of trying or effort will change their circumstances, and giving up is the only enlightened thing to do. From a managerial perspective, nothing seems to work — team building, training, even selective terminations appear to do nothing to change the prevailing mood. The culture is an endless well of unmet needs, gripes, disappointments and repressed anger.

Signs of Stage Three. People engage in anything that’s going on with energy and commitment, but, when you listen closely, they talk mostly about themselves, and focus on appearing smarter and better than others. They think they’re focused on team concerns, but their actions show their interest is personal. People tend to form two-person relationships. They rarely bring people together, they resist sharing information except when it’s necessary and they pride themselves on being better informed than others. Winning is all that matters, and winning is personal. People at this stage complain that they don’t have enough time or support, and that the people around them aren’t as competent or committed as they are.

Signs of Stage Four. Teams are the norm, focused around shared values and a common purpose. Information moves freely throughout the group. People’s relationships are built on shared values. They tend to ask, “What’s the next right thing to do?” and to build ad hoc partnerships to accomplish what’s important at the moment. Their language focuses on “we,” not “me.” If two people get in a squabble, a third will step in and repair the relationship rather than create a personal following for himself. Unlike Stage Two, the group is composed of people who have played the Stage Three game and won — and who are now ready for genuine partnerships. Your first job is to make sure each person is stable at Stage Four, as most groups at this level crash down to Stage Three when under stress.

Signs of Stage Five. Your tribes hardly ever refer to the competition, except to note how remarkable their own culture is by comparison and how far their results outstrip industry norms. The theme of communication is limitless potential, bounded only by imagination and group commitment. People in this culture can find a way to work with almost anyone, provided their commitment to values is at the same intensity as their own. (Unlike Stage Four, the focus isn’t on “our values,” but on resonant values.) There is almost no fear, stress or workplace conflict. People talk as though the world is watching them, which may well be the case as their results are making history. Your job is to make sure the infrastructure to maintain these leaps to Stage Five is in place.

## Part II: Your Journey as a Leader: Leading Others Through the Stages

### Stage One: On the Verge of a Meltdown

The person at Stage One is alienated from others, expressing the view that “life sucks.”

There are two ways to move from Stage One to Stage Two. First, the person has to substitute “life sucks” with “my life sucks” — the mantra of Stage Two. The difference in these stages is huge, and moving forward means dropping language that the nature of life is flawed and saying instead that life works for some people, but not for you.

One man we got to know in our research is an artist named Joseph. When we interviewed Joseph, he talked as someone who had made the transition: “I had to give up my art, because the cost is my family.” He sounded like a victim of circumstance: that others can do art, but not him. His life sucked — he’s made it to Stage Two.

Second, the person can move to a tribe where the offending behavior is not tolerated. The mother of a former gang member, whose son began attending a church-run youth center, told us, “I’m worried; he used to be so alive, but now it’s like the cord got pulled.”

From a tribal perspective, her son went from the fire of despairing hostility (Stage One) to the passivity of being
an apathetic victim (Stage Two). This was progress. When we interviewed him, he looked sad and said, “This place sucks — I don’t know anyone here.” He had gone from the alienation of Stage One to the disconnection of Stage Two.

**Give Stage One People a Chance**

There are people in Stage One who want life to be different, and our advice to employers is to give them a chance. William, part of Joseph’s tribe, has made doing so a part of his design and general contracting business, Design For You, in Chicago. He employs former gang members, convicts and people who have fallen into (and out of) heavy drug use. He believes that helping people out of Stage One is the responsibility of every person in society. At the same time, if people aren’t willing to leave the allure of Stage One, he doesn’t pursue them. If they relapse into despairing hostility, he invokes the “horse whisperer” protocol and pushes them out, but watches for when they’re ready to try again.

---

**Stage Two: Disconnected and Disengaged**

People at Stage Two are separate from others, although unlike those at Stage One, they are surrounded by people who seem to have some power that they lack. As a result, their language expresses “my life sucks.” Unlike Stage One, a person at Stage Two communicates the view that others’ lives seem to be working.

When people at this stage cluster together, their behavior shows characteristics of being apathetic victims.

**Leverage Points for a Person at Stage Two**

Here are four leverage points for a person at Stage Two:

- Encourage her to make a friend. Then another friend. Then another friend. In other words, encourage her to establish dyadic (two-person) relationships.
- Encourage her to establish relationships with people who are at late Stage Three. Such individuals can be identified by their eagerness to mentor others into becoming mini-versions of themselves.
- In one-on-one sessions, show her how her work does make an impact. In particular, show her areas where she is competent and where her strengths are. In the same meeting, point out abilities she has that she has not yet developed, but be careful to make the tone of these discussions positive.
- Assign her projects that she can do well in a short time. These assignments should not require excessive follow-up or nagging, as this behavior may reinforce her “my life sucks” language.

---

**Success Indicators**

Here are two indications of success:

- She will use “I’m great” language, as opposed to “my life sucks.” She may name-drop, point to her own accomplishments and brag. Many of her sentences will start with “I.”
- She will exhibit the lone warrior spirit of Stage Three, often comparing herself with her co-workers and using disparaging language like “What’s wrong with them?” and “If they tried, they’d succeed.”

---

**Stage Three: The Wild, Wild West**

The essence of Stage Three is “I’m great.” Unstated and lurking in the background is “and you’re not.” Ask people at this stage how they see work and you will hear: “I’m good at my job,” “I try harder than most,” “I’m more able than most,” and “Most people can’t match my work ethic.” The key words are “I,” “me” and “my.”

People at Stage Three report, almost universally, that they don’t have enough time, don’t get enough support, and are surrounded by people less able and dedicated than they are. No matter how hard they work, they can’t punch through the barrier of a day that has only 24 hours. They’ve hit the point of diminishing returns, so the harder they work, the less effective they are and the less their efforts seem to matter. Simply put, they want to get to the next level but don’t know how to get there or even what the next level looks like.

**Leverage Points for a Person at Stage Three**

Here are eight leverage points for a person at Stage Three:

- Encourage him to work on projects that are bigger than anything he can do alone. In short, assign him work that requires partnership.
- Point out that his success has come through his own efforts, but that the next level of success is going to require a totally different style. In other words, show him that what’s brought him to this point will not be enough to move him forward.
- Describe role models (ideally in the company) that are exhibiting Stage Four behavior. You’ll know these individuals by (1) their focus on “we,” (2) the number of triads (three-person relationships) in their networks and (3) success that comes from groups.
- When the person complains that he doesn’t have time and that others aren’t as good (the two chief gripes at Stage Three), show that he has crafted his work life so
that no one can really contribute to him.

- Tell stories about the time you made the transition from Stage Three to Stage Four.
- Coach him that real power comes not from knowledge, but from networks and that there is more leverage in wisdom than in information.
- Encourage him to manage using transparency, as much as is possible under corporate policy.
- Encourage him to form triads.

The Tribal Leadership Epiphany

Having interviewed thousands of people who have made it into Stage Four, the zone of Tribal Leadership, we discovered that every person had an awakening. Some called it a major business insight. One said, “In the shower this morning, I realized there’s a better way to do business that will mean much higher profitability.” Some called it corporate karma. Others described it as a need to live their values. Some came to it after years of psychotherapy or doing a self-help program. Some came to it through what Warren Bennis and Robert Thomas (in Geeks and Geezers) call a crucible experience: an event that causes people to reflect — at both intellectual and emotional levels — on their core assumptions. For some people, 9/11 kick started the epiphany. For most people, the epiphany was actually a series of epiphanies, each presenting a deeper insight about what wasn’t working in Stage Three.

While the epiphany happens to all Tribal Leaders, it may not happen in adulthood. Gordon Binder, former CEO of Amgen, apparently had it growing up in New Mexico and finished it in the Navy. Frank Jordan became a Tribal Leader through the Boys & Girls Clubs.

They described the epiphany as the turning point in their lives, both personally and professionally, regardless of how they came to it or went through it.

Although it often took months or years for the epiphany to bumble through their minds, once the moment of awareness happened, there was no turning back. They often described it in sound bites. We heard statements like:

- Nothing that matters is personal.
- Stage Three has no legacy.
- To win at Stage Three is to win small.
- I now see I have been a manipulator, not a leader.
- I’m tired; isn’t there some other game to play?
- I see myself through others’ eyes and I don’t like what I see.

As the person sees into her blind spots she realizes that the ego hit of accomplishment isn’t the same as success itself. Her attention shifts to what’s really important, and, almost always, the goal is tribal. David Kelley, CEO of IDEO, said his goal became “Hanging out with great people and creating stuff that makes a difference.” George Zimmer, CEO of Men’s Wearhouse, said, “We need to keep thinking about the people in our stores and how to make their lives better.”

As the seesaw tilts toward Stage Four, the person’s language and behavior shift away from dyadic relationships toward networked systems of people.

Stage Four: Establishing Tribal Leadership

In our research, after a person has had the epiphany that takes him from Stage Three to Stage Four, he behaves differently. Our data show that people tend to take one of three paths. Kelley, took the first: He got together a group of like-minded friends and asked how they might make money. The relationships come before the business model; the tribe before the profits. If the group is composed of people who are really operating at Stage Four (rather than dropouts from the system in the midst of Stage Two), the ventures tended to do very well, like IDEO. The key question is, “Have we all owned and are we all done with Stage Three?” If the answer is yes, a small group of people becomes what we call a tribal seed. As it grows, it attracts resources, people, money and ideas, and it flourishes into a tribe.

The second path is that the newly minted Stage Four person looks for people in a large organization who are eager to play by a different set of rules. Often, these will be people in late Stage Three or individuals in the process of going through the epiphany. The Tribal Leader collects and nurtures them and forms a tribe based on their values and aspirations. The group — often a new department or, in a matrix organization, a “project” — becomes unusually successful, often being labeled a “miracle.” As the group succeeds, people at Stage Three notice the results, often trying to replicate the tribe’s strategy within an “I’m great” culture. Such approaches fail, and the Tribal Leader’s group moves further ahead with people scratching their heads about how he does it.

The third path is that the person forges out on her own, developing what we call tribal antennae — an intuitive ability to find people who can contribute to success on a larger scale than one person working alone.
and who value her help in return. From the outside, her actions look like networking gone wild — she’s constantly reaching out to more and more people, with others saying that she needs to learn focus. In fact, her actions are systematic: She is shopping for tribal members. As she finds people who fit, she networks them into the group, and a tribe slowly takes shape. Unlike the first approach, where the tribal seed determines the nature of the business from the start, this third path produces rapidly changing tribes and business models. The key to this third path is that it’s not “my tribe,” but “our tribe.” The person who cobbled it together is recognized as the Tribal Leader, not the single visionary who calls the shots. In this system, anyone is welcome to play — and tribal members all have a hand in recruiting, provided they have something to offer and obey the rules.

A key point for companies that want to attain Stage Four is to go for values now. Core values are “principles without which life wouldn’t be worth living.” There are two ways to seek core values. The first is for a Tribal Leader to tell a values-laden story, which triggers others to tell similar stories about their values.

The second way is to ask three to five open-ended questions such as, “What are you proud of?” The Tribal Leader’s goal is to find shared values that unite the tribe.

A Noble Cause Is What We ‘Shoot For’

If core values are the fuel of a tribe, a noble cause is the direction it’s headed. A noble cause captures the tribe’s ultimate aspiration. Said differently, core values are what we “stand in” and a noble cause is what we “shoot for.”

There are two ways to find a tribe’s noble cause. The first is to keep asking, “in service of what?”

The second way is to ask the Big Four Questions of people in the tribe: “What’s working well?” “What’s not working?” “What can we do to make the things that aren’t working, work?” and “Is there anything else?” These questions capture a group’s current assessment of its situation and its aspirations about what should change and why. The noble cause will often emerge out of people’s answers to the questions.

The goal of determining values and a noble cause isn’t agreement; it is alignment, which produces coordinated action married with passionate resolve. Anything not consistent with the core values and noble cause needs to be reworked or pruned.

The group captures the essence of Tribal Leadership when it asks, “What activities will express our values and reach toward our noble cause?” The answer becomes a reason to form networked relationships and the basis of a tribal strategy.

Triads and Stage Four Networking

Every September, a remarkable party takes place at which people in commercial real estate discuss and close more business than perhaps on any other night of the year. At the center of the party is CB Richard Ellis Vice Chair, Darla Longo.

Longo’s behavior was the most remarkable part of the event and most missed her magic. She didn’t promote herself, talk about her accomplishments or say “I,” “me” or “my,” other than to say, “I’d like you to meet … .” Longo played matchmaker. She introduced clients to brokers, senior brokers to successful rookies and clients to one another.

If we were to take any moment of the evening and watch it in slow motion, we’d see three elements. First, Longo would have at least two people around her. Second, she would talk to them both at the same time, even if they didn’t know each other. Third, if we listened to her words, we’d notice that they would have the effect of building or deepening the relationship between the other two people.

Longo emerged as one of the leaders in commercial real estate for many reasons: her drive, endless energy, talent, vision for the business, and focus on integrity and values. In our years of watching her, one simple act of behavior stands out: her ability to “triad” — to create business relationships between two people, based on core values and mutual self-interest, and then move on. In essence, she receives loyalty and followship by creating relationships between other people. She is one of the most successful people in commercial real estate because her actions build triads, the foundation of a Stage Four tribal structure.

The Structure of Stage Four Relationships

The triad is so powerful that it can link tribes together (remember, the upward barrier on a tribe is 150 people, so many of these companies are tribes of tribes), creating an unlimited capacity for scalability.

While the triad is the basic building block of Stage Four cultures, these blocks can be stacked to the sky,
resulting in large, robust, dynamic and growing networks of tribes at Stage Four. All are vibrant, values-based and filled with people giving their best efforts — leading and being led at the same time.

A Tribal Leader’s Guide to Strategy

When we collected the best practices we observed from Tribal Leaders, and combined them with the results from a careful study of historical tribes, we came to a model with five parts: values, noble cause, outcomes, assets and behaviors.

• Values and Noble Cause. Setting a strategy starts with recognizing the values of the people who will implement it and the noble cause to which they aspire. These pieces give the tribe a boost in motivation and align it on a common purpose. They go a long way to owning Stage Four.

• Outcomes, Assets and Behaviors. Once values and a noble cause are set, tribal strategy involves three conversations. The first is “what we want,” or outcomes. The second is “what we have,” or assets. The third is “what we will do,” or behaviors. It’s imperative that the Tribal Leader keep these three discussions separate.

PART IV: TOWARD VITAL WORK COMMUNITIES (STAGE FIVE)

In the early 1990s, we only knew about tribal Stages One through Four, and we had lots of examples of each. On the basis of our observations, we believed that Stage Four’s “we’re great” language was the top of the mountain. Then, thanks to Amgen, everything turned upside down, delaying the publication of Tribal Leadership. The discovery was worth the wait.

We walked into Amgen in the 1990s and asked who their competitors were. We expected “Genentech” (another biotechnology firm) or maybe — if people were ambitious — “Pfizer” (a fully integrated pharmaceutical company). It was even possible that people would be so ill-informed about the marketplace that they wouldn’t know. All of those answers would be consistent with what we expected to find, and they would help verify our hypotheses and make us happy researchers.

“We’re in competition with cancer,” we heard from Amgen employees. Huh? No mention of a company.

The same people went on to say, “Maybe [our competitor] is inflammatory disease, such as arthritis, Obesity, (or) Parkinson’s.” We weren’t happy. In fact, our four-stage model couldn’t explain what we were hearing.

To make our situation worse, we didn’t see any evidence of tribal pride. No high fives, no “We’re No. 1” banners (which they were in growth, although not in revenue or market capitalization).

A Mood of Innocent Wonderment

“It’s amazing,” one person in engineering told us. “A few good experiments, and now we’re sitting on billion-dollar patents. It makes me think of all the human diseases we’ll beat in the next few years.” His tone was what perplexed us more than his words. It wasn’t pride. It was almost a whisper, like a prayer of thanksgiving. It’s a mood we came to call innocent wonderment.

We had stumbled across our first example of Stage Five, and it was as much a leap forward as Stage Four was from Stage Three. It is, we believe, the future of business.

At Amgen in the 1990s, and in most other organizations at this stage, the culture oscillated in and out of Stage Five. After a burst of history-making activity, the group fell back to the “we’re great” language of Stage Four, assessing their performance relative to competitors. Then another market opportunity, or possible discovery, would come along and catapult them back into Stage Five. If we graphed out the Amgen of the early 1990s, the culture would be like waves on the beach: the crests in Stage Five and the troughs in Stage Four.

Stage Five

Since Amgen, we’ve found dozens of organizations with Stage Five tribes. What they all have in common is Tribal Leadership taken to its next level, and a level of performance that makes history.