

CULTURE FOLLOWS THE LEADER

“CULTURE ISN'T SIMPLY ONE ASPECT OF THE GAME – IT IS THE GAME... ONCE YOU ENTER A SUCCESSFUL CULTURE, YOU FEEL IT IMMEDIATELY.”¹ ”

BY LAURIE HILLIS, MA

The topic of culture may not cause you to “jump out of bed excited in the morning,” as one astute CEO admonished us recently when consulting with their organization. However, second only to the topic of leadership, is there a subject more widely debated in the current literature? Whether your organization seeks to join the ranks of the prestigious Hewitt Top 50 Companies or the Financial Post's Top 100, culture is definitely top of mind today for savvy organizations looking to attract and retain the top talent and customers.

Culture is about leadership. Mapping the attitudes and behaviours of 61 CEOs in Canada, a recent study found that inspiring leaders create inspiring cultures, which leads to superior financial performance.

In this article we will explore the topic of culture, highlight exciting new “best of the best” Canadian research, and examine the role of leaders in establishing the cultural expectations of their organizations.

ABOUT CULTURE:

Louis Gerstner, IBM's historic CEO, has a theory about culture – that “successful institutions almost always develop strong cultures that reinforce those elements that make the institution great.”¹ It is a double edged sword. The very fiber that makes an organization successful also challenges the organization when the external environment changes and the culture does not. Gerstner lived this when he attempted to change IBM's culture steeped in entitlement to one of “win, execute, and team.”

Defining culture is no simple task. Academic definitions and anthropological typologies embrace language like artifacts, espoused values and underlying assumptions.² A pragmatic definition that works for most is:

“...A group or organizational-level of shared beliefs and values that lead to norms and expectations for members of that culture. It is the “glue” that holds an organization together through shared assumptions, beliefs, and processes. In short, it speaks to ‘how things are done here.’³”

BEST OF THE BEST:

A significant cultural study has recently emerged. Authored by First Light PMV Inc.⁴, a Toronto-based consulting firm, in collaboration with Human Synergistics Inc., the research examines the linkages between leadership, culture, and organizational performance.

While this brief article cannot do justice to the complexity of the entire report, here are a few gems uncovered by the authors:

A CONSTRUCTIVE CULTURE:

- returns greater financial and other performance measures.
- keeps its promises to its employees, its customers, and its shareholders – be they financial, brand, loyalty, quality, etc.
- is likely to indicate less fear in the organization.
- is identified as “inspiring” by others.
- is most impacted by leaders – the more constructive the leader and the leadership team, proportionally, the more constructive the culture.

A constructive culture is defined simplistically as one oriented towards achievement, self-actualization, creativity, participation, valuing people, and one that places a high priority on healthy relationships between people.

THE ROLE OF LEADER:

“Inspired culture drives prosperity... Inspired leaders drive inspired cultures.”⁴”

Leaders need to create the conditions for the transformation of a culture. Leaders and managers do not change the culture, they merely invite their people to change the culture through day-to-day behaviours. Leaders ensure the systems and processes support the new behaviours. Modelling new behaviours must start at the top.

Leaders in inspired cultures serve as watchdogs for all systems and processes. They are responsible for ensuring new cultural imperatives have teeth by aligning vision, attitudes, and behaviours. As well, the research found these “best” leaders to:



LEADERS CREATE CULTURE

“Businesses with high-performance cultures are winners, and no person of substance would work anywhere else.”¹

REFERENCES:

1. Gerstner, L. (2002). *Who Says Elephants Can't Dance?*, New York, NY: HarperCollins Inc.
2. Schein, E., "Notes from Cape Cod Seminar", August 2002.
3. Human Synergistics Inc., <http://www.hsacanada.com/>
4. "The Best of the Best" Report (2003), First Light PMV Inc., Toronto, ON., Contact: Peter Bromley, peterb@flpmv.com
5. The Cape Cod Institute, <http://www.cape.org/>

- act based on the right things to do.
- radiate goodness, caring, and kindness.
- be humble, humane, real, authentic, and balance hearts and minds.
- acknowledge the value of others' contributions.
- be skilled at inclusion, collaboration, and dialogue.
- be accessible, empathetic, committed to the community.

Those interested in the leadership realm of emotional intelligence will see many similarities between EQ research and the above characteristics.

Edgar Schein, a corporate culture pioneer, asserts that while leaders create culture in the early stages of an organization, culture creates leaders as an organization matures. He suggests that culture is deep, broad, and stable. It can be an unconscious determinant of who gets hired, who gets promoted and rewarded, and indeed, how the vision, mission, and strategy are lived.

I attended a fascinating session with Dr. Schein at The Cape Cod Institute⁵ in 2002. He spoke extensively of his culture consulting with Digital Equipment Corporation (DEC), and he asserted that to ask people to change their behaviour causes "disconfirmation" – things no longer work, expectations are not being met, and new learning is required. To ensure change occurs, there are two principles leaders need to be mindful of: learning anxiety must be reduced by enhancing learners' psychological safety, while at the same time survival anxiety must not increase.²

He suggests psychological safety is developed through a number of simultaneous steps such as: a positive compelling vision, formal training, involvement by the learner, team learning, practice fields, coaches, role models, support groups, and consistent systems and structures. Successful cultural transformation, Schein declares, requires all these elements. It's a long list and it's no wonder that many cultural change initiatives run afoul.

While the topic of culture may not be the first thing on your list of corporate priorities, it is a topic that frequently emerges as a differentiator in attracting and developing the best talent for the future, while profoundly impacting financial performance, stakeholder relationships, brand, and other key organizational measures.

The research continues. Curious about the impact of individual leaders on their organizational cultures, First Light PMV and Human Synergistics plan to continue their research and further study inspirational CEOs in the next year.

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