



The evolution of leadership culture

Jason Harrison & Heidi Gutekunst, AMARA Collaboration

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Executive Summary

This paper highlights the connection between an organisation's culture and how leaders behave. It suggests that great leadership is about getting the important things done and how important it is that leaders find ways to develop their behaviours.

It describes how behaviours are intimately connected to the deeper levels of purpose, values and capabilities and how important practices are in changing behaviours.

Three different leadership cultures are presented to highlight how leaders can evolve the ways they engage with their people to achieve their organisational results.

Introduction

The vast majority of business executives believe that organisational culture has a direct impact on the productivity, value and profit of the business. This is encapsulated in Peter Drucker's phrase that was made famous by the ex-President of Ford, Mark Fields:

“ *Culture eats strategy for breakfast* ”

Leaders therefore ignore the culture of their organisation at their peril. If their business is

underperforming, one of the fundamental places to pay attention is how the current culture works for and against its success. By exploring this, changes to the current culture can be identified that are more supportive of the desired performance.

Leaders play a powerful role expressing themselves through their behaviours.

One way we can think about culture is that it is a set of behaviours that have arisen as a direct result of the values and beliefs of the people in the organisation. In most organisations, leaders play a powerful role expressing themselves through their behaviours. Other employees often strongly mimic their leaders and the culture quickly becomes an echo chamber of how the leaders behave.

So, if an organisation wants to change its culture, one place to start is to support leaders to examine their values, beliefs and behaviours as a way to start shifting the organisation's 'performance curve'.

What makes a Great Leader Great?

The study and scrutiny of leadership is one of the most intensely populated fields of management research over the past 100 years. Countless articles and books have been written about leaders and leadership. Numerous lists have been created that suggest certain traits and qualities need to be

cultivated in order to become a great leader. Despite the many differences between these authors, one thing seems to unite them all — whether the leader is actually getting the job done. Or asked another way:

Are the leader's actions making a timely difference to their people & their organisation?

So, what can we learn from this? We can see the importance other people place on what a leader says and does. In reality, a leader's behaviours are all people have to go on. So, to be great it seems leaders need to exhibit *behaviours* that are actually helpful in getting the job done.

This is good news for leaders who have behaviours that are appropriate to the task at hand. But what about those leaders who need to make some adjustments to the way they behave? Anyone who has ever tried to change their behaviour will know this can be very challenging. The major problem we face is that there are many aspects of our behaviour that are out of sight of our everyday awareness. They are our unconscious habitual reactions that we engage in without even realising what we are doing.

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What is the origin of a Leader's behaviours?

We can see that the first step in any attempt to change our behaviours is to get better at noticing *how* we are actually behaving when we are engaged *in* the behaviour. The more we start to notice how we behave, the more curious we become about where these behaviours come from. We start to 'scratch beneath the surface' and see how our behaviours are intimately connected with our *capabilities* - the *knowledge* and *skills* that we have acquired through our lives.

For example, Mark learned at an early age to stand his ground and argue his point of view so that he received attention from his parents. In later life, Mark has a very strong capacity for strongly advocating his opinions and sees how this has become a habitual reaction in many circumstances. He recognises that his ability to genuinely listen to another's point of view is much more limited and starts to work on how he might develop this capability.

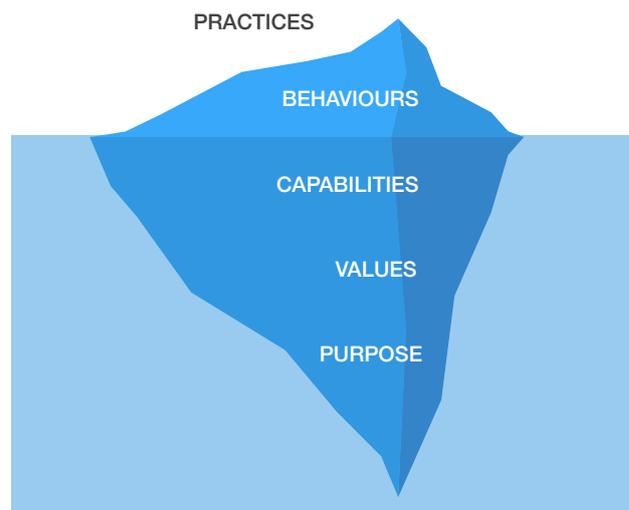
As Mark attempts to develop his new listening capability, he begins to see certain values that he holds that now seem to get in the way of his personal development. These values are the principles that help us decide what is important in our life. One of his values is 'stand your ground' - something that has felt very important

in his life. By understanding these deeper values, Mark is able to see how they are both helping him and hindering him. His exploration around principles leads him into an even deeper area of himself - his purpose.

Mark's reflections on his purpose show him that he feels most alive when he is championing a cause for people who are disadvantaged. He sees how his life experience and career have all been about this championing role and how his habitual behaviour of strongly advocating has been very useful. He can also see that he can be an even more powerful 'people's champion' if he could flex his style and develop new behaviours such as listening. This helps Mark to develop a new line of connections from his purpose to a new value 'get alongside people' and on to new capabilities and behaviours.

A frame for Leadership Development

It is clear then that what we see on the surface is a reflection of things that are held more deeply:



1. Purpose - why am I doing this?

At the deepest level of our being, we all have a **PURPOSE** - this can be seen as the fundamental reason that we do what we do. As a leader, purpose is the 'why' question ... why am I doing this?

Everyone has a sense of purpose which guides them through their home and work lives like the 'true north' of a compass. When we are aligned with our purpose, we feel alive and energised, when we lose this sense we, can easily become demotivated and depressed.

Studies have shown that when people are contributing to a higher purpose, they are likely to have a healthier outlook on life and be more resilient to stress.

One way organisational leaders can support people to be more energised and resilient is to help them connect into a higher purpose around their role in their team or in the wider context of the work that they are engaged in.

2. Values - what is most important to me?

As we pursue our purpose in life, we begin to develop a set of personal **VALUES** - the things that are truly important to us as individuals. An individual's values are key in driving them to make choices where they can feel good about themselves. When people do things that go against their values, they experience a conflict, a tension, even a violation. Repeated violation of values can lead to significant distress and demotivation.

One way we can determine our values is to reflect back on those times in our personal and professional lives and consider when we were most happy, most proud and most fulfilled and satisfied.

Some examples of the kinds of values that many leaders identify with include: *achievement, calmness, competitiveness, discipline, reliability, trustworthiness.*

3. Capabilities - what makes me stand out?

As we go through our life, our values guide us to seek out certain experiences - usually ones where we can feel happy, proud and satisfied. As we engage in these life and work experiences, we gain different types of knowledge and skills that we can turn into personal **CAPABILITIES**.

Our capabilities are the unique things that make us stand out from others ... they are the essence of our competency as organisational leaders.

Some examples of leadership capabilities include: *interpersonal effectiveness, drive for results, ability to see the bigger picture, attention to detail, inspiring and motivating others, commitment and passion.*

4. Behaviours - how do I show up in the world?

Our capabilities manifest themselves in the world through our **BEHAVIOURS**. What we say and do in the vast array of different situations we find ourselves in is how other people respond to us.

Great leaders can see how to access their values and capabilities in ways that can make a difference in the various situations they find themselves in. They can adapt at flexing their behaviours whilst still

maintaining a strong connection back to their values. They can adopt new behaviours or develop new capabilities that align with their core values.

Some examples of typical behaviours that great leaders might exemplify: *leads by example, is direct / honest / transparent, admits mistakes and acknowledges limitations, keeps their promises, asks for feedback, doesn't gossip, listens with presence.*

5. Practices - how do I sustain my change?

One way that leaders can ensure their behaviours remain relevant is to adopt a set of **PRACTICES**. A practice is a repetitive actions designed to enhance or grow a particular behaviour.

From our earlier example, Mark sees that he can be even more powerful if he cultivates his ability to deeply listen to his team and his clients. He decides to create a simple behavioural practice where he always pauses after his team offer him their point of view. He takes two or three breaths, asks them 'tell me more ...' and listens to their responses.

This practice helps Mark to calm down his reactive habit of jumping in and giving them his suggestions. It also allows him two opportunities to really listen what his team members are saying to him. Over time, Mark notices that this approach of slowing down and buying more time has enabled him to genuinely listen and respond, rather than simply hear and react. His team seem to engage with him differently - they are more willing to offer their points of view and the quality and delivery of solutions is much improved.

Some examples of practices that leaders can engage with include: *learning the power of Yes and, using the power of silence, developing active listening, zooming in and zooming out, asking 'how was that for you', taking a mindful minute, creating space between meetings, holding check-ins.*

The evolution of leadership cultures

Organisational cultures are strongly influenced by the collective values, capabilities and behaviours of its leaders. One of the primary challenges leaders face is how to mobilise other people to 'get the job done' whilst dealing with their inherent concerns around the complexities and uncertainties that exist in organisational life. Different leaders will hold different assumptions about the best way that people can be mobilised to do productive work.



In this section, we describe three different approaches that show how leaders can evolve their thinking, acting and being to improve the organisation's performance. Each one of these cultures is a *particular response* to the complexity and uncertainty that exists within the organisation and its environment. What is interesting about this way of describing the cultures is that they build on one another in a developmental fashion - *i.e.*, the later leadership cultures grow out of the earlier ones.

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Leadership 1.0 : Conformity and Compliance

The simplest form of leadership culture is one where small groups of individuals exert their power over others through the creation of rules and formal roles. The rules and roles are designed to reduce levels of employee anxiety across the organisation. For example, rules will be put in place to reduce the likelihood that people make mistakes. Formal roles (leader, supervisor, shop-floor worker) are created so that more complex pieces of work can be logically divided up into simpler tasks.

$$1 + 1 = 1$$

In this form of leadership, power is invested in a small group of people who have developed expert capabilities. The primary values are based on *conformity* and *compliance* and communication flows are largely one way - from the top down. People are rewarded for *loyalty* which is the organisation's way of saying: 'if you follow the leaders and the rules, everything will be ok'.

Leaders in this type of culture will typically have a value around 'being strong' - they are expected to be highly directive and are very comfortable with the fact that others are dependent on them for their decisions. One way these leaders is described is as *heroic*. Valuable employees in this kind of culture will be hard working, have high levels of trust in the 'higher authority' and be willing to embrace a 'just do it' attitude.

The major downsides to this leadership culture is the strong levels of dependency that are embedded in the leadership approach. The very rules and roles that are designed to reduce employees anxiety actually generate anxiety as workers start to see the

limitations of the rules in certain situation. The efficiency of the one-way communication flows seriously limit the amount of information leaders have resulting in poor quality and often slow decision-making.

Organisations with these types of leadership cultures often lurch between periods of calm and periods of crisis. In a crisis, leaders often urge their workers to speak up and offer innovative ideas and engage in rapid action. This is often not possible for many employees as they have been encultured to be passive and compliant.

Leadership 2.0 : Competition and Coordination

As the complexity of the organisation and its environment increases, leaders find they need to adopt a different approach to getting the job done. The increasing levels of uncertainty that go along with more complex situations means that the rules and formal roles of the 1.0 culture become increasingly strained.

In this 2.0 culture, leaders are required to be more flexible, more nimble, more able to bring forth relevant ideas and actions to the situation that is at hand. In these organisations, roles and responsibilities are more fluid - people are convened in teams to resolve specific organisational challenges and problems. Individuals are expected to 'better themselves' / 'be their best' so that the organisation can take advantage of what they are learning.

$$1 + 1 = 2$$

Power is more distributed through assigning accountabilities and responsibilities through the organisation. Communications are more 2 dimensional - leaders recognise that they need to gather more perspectives to resolve the complex issues, staff are more involved in influencing decisions. Typical values in this type of culture are around *competition* and *coordination*. Individuals are expected to act independently in doing what they need to do in order to progress their part of the business. They are also expected to operate in a way that maximises overall business results.

Valuable employees in this culture will focus on delivering and learning new skills to be able to challenge the status quo and expand their usefulness. Leaders will be trusted by their competence and will be 'dealers in hope' during difficult times.

The major downsides to the 2.0 culture is the assumption that people can hold both the need for



them to progress their own objectives with the need for them to work for the greater good of the organisation. The typical habits that are created in most 2.0 organisations focus more on supporting the individual to become as good as they can be. These individualistic cultures can be ‘sink or swim’ environments with reward and recognition cultures exemplifying individual performance. Employees who are more collaborative and team / service oriented can often be looked over while risk-takers and short term performers flourish.

Organisations with these types of leadership cultures are often hampered by focusing on short-term operational activity at the expense of more strategic, longer-term work. This makes them particularly at risk of being blind-sided by competitors or significant perturbations in their market dynamics.

Leadership 3.0 : Connection and Collaboration

The primary challenge with 2.0 is that leaders tend to prioritise their independence over their need to connect with other people and functions in the organisation. In relatively stable times this can be a very powerful way of leading. As situations become more turbulent, it becomes clear that a new mode of leading is required.

$$1 + 1 = 11$$

In the 3.0 culture, leaders see how interconnected their work is to other parts of the business. They see how critical it is to focus on *both* their work tasks *and* also the relationships with other groups. Leaders become aware of the need for them to engage in ‘fast’ (acting) and ‘slow’ (inquiry) work that suits the

situation at hand. They deliberately seek out multiple perspectives and engage in divergent and convergent thinking and planned and emergent strategising.

3.0 cultures primarily value *connection* and *collaboration* and operate through a set of collective principles that are simple enough to remember and powerful enough to apply to multiple scenarios. Leaders will focus on ‘being present’ and expect employees to ‘be themselves’ in order that a cleaner level of communications and interactions can take place. Employees will have high levels of faith in their leaders engendered through the high levels of authenticity they experience.

One of the key advantages of the 3.0 leadership culture is that the other two cultures are embedded within it - in other words, leaders have the capacity to access and utilise 1.0 and 2.0 behaviours if the specific situation warrants it.

