



Why New Leaders Fail: *Leadership Culture and its Impact on Strategy*

True or False?

1. A high-performing organization's philosophies and values are consistent with its strategy.
2. High-performing organizations have clear and effective strategies.
3. The culture of an organization is created by its leaders.
4. Culture eats strategy for breakfast.¹

If you answered "True" to all the above, you are correct. According to recent data from the American Management Association in their study of *Current Trends and Future Possibilities 2007-2017*, a strong business strategy is critical to success. However, experience shows that even the best strategies can fail if the right organizational culture, and more specifically, leadership culture, is not present to support it.

Still not convinced?

Then take the *Harvard Business Review's* findings in a 2005 study² it did with over 100 corporations and thousands of executive assessments. They found that "corporate culture—and not just the strong ones—influence employees' leadership styles more than any other aspect of their jobs...(they) discovered that employees who work for the same corporation, no matter what their jobs, are 30% more likely to exhibit similar leadership competencies—defined as the way a person learns, deduces, envisions, engages, and executes—than people who do the same job but who work in different companies." This is powerful stuff. The leadership culture affects the whole organization and its ability to get results, either positively or negatively, in a very tangible way.

The Business Factors

The Change Agent

It is not uncommon for organizations to hire new top leaders to bring about change. Usually, the changes relate to improving financial return, shareholder value, or a full turn-around for the company. The biggest barriers to a new CEO's success often lie embedded in the company's leadership culture.

A new CEO's typical blocks include—

1. *not understanding or caring about the current culture*
2. *assuming the current leadership culture can support the new direction/strategy*
3. *not articulating his/her aspirational culture for the team*

Merger & Acquisition

M & A is another example of a business situation in which success is dependent on the proper integration of the cultures of the business's leadership teams. There are personal values and loyalties involved as well as differing business philosophies about everything from communication style to operational execution.

Mergers & Acquisition dynamics create—

1. *two or more cultures coming together vying for dominance*
2. *leaders focused on operational integration and not cultural integration*
3. *leaders not aligning around a common culture*



New Leader Onboarding

Lastly, it is critical for organizations to provide their incoming new leaders with an accurate view of the existing cultures into which they have been hired. Highly-paid, highly-experienced leaders are often not given “real” information about how the organization functions, its decision-making or conflict management during the recruiting process. Often, the aspirational, or “desired” culture is communicated as though it exists, not as a future state. So, leaders sign on to a somewhat different culture than what they find when they start their new roles. This can, and often does, lead to a slower integration process for that person, or worse, a derailment.

New Leaders must deal with—

1. *not knowing the “dos and don’ts” of the organization*
2. *assuming that his/her past behaviors will work in the new culture*
3. *peers and/or team members being “turned-off” because he/she doesn’t show respect for the current culture*
4. *being confused when he/she cannot get results in the new culture*

So what do you do about it?

It is possible to change or improve your leadership culture, and that of your organization. But first you need to know where you stand. This brings to mind the old story about the young man and his flight instructor. In planning his first solo flight, he asked his instructor, “How do I get to New York?” The flight instructor paused, smiled and said, “Well, that depends, where are you now?”

STEP ONE: Getting an accurate “snapshot” of your current leadership culture is the first most important step in planning and implementing any type of culture change. Or, if you working to preserve your current culture and communicate it in such a way that your leaders, especially new ones, model the culture, it is also critical to have an accurate description that can be used to help them navigate.

STEP TWO: If it is determined that a culture change is necessary, and then the desired state must be defined. The leader or leaders with the vision of the desired culture must be able to clearly articulate what behaviors exist in the new culture, and which behaviors do not exist in the new culture. It is also important to document how you will know if you have reached your desired culture, and use that as a metric to check on the progress of change.

STEP THREE: Having identified your current culture’s state, and then defined a desired one, you are now ready to create an executable plan for change. Using the clearly articulated “desired state of the culture” combined with defined roles for each of the leadership team; a roadmap of specific action items should be created. This is not an overly complex or extremely detailed plan, but a one-page reference point that the top leaders can use to communicate how the change will occur. It also builds in accountability for the team (everyone knows what’s expected) and it serves as a coaching tool when things get off track.

Information is power

Because most organizations usually do not include any type of culture data in their leadership onboarding programs, (that is, if they have a leadership onboarding program) the new leaders start out with a significant disadvantage. True, they can talk to their bosses or peers, but this information can be biased at best, and wrong, at worst. New leaders are prone to making common mistakes while attempting to communicate “big ideas” or determining how conflict is resolved. This not only slows their integration into the company, but taints how they are viewed by others. They will be accused of “not getting it” or “not being the right fit” for the job. This can result in lost time to productivity, team dysfunction, and general opposition to whatever changes they are attempting to implement.



Smart organizations capture that information, summarize it and present it to their new leaders in a way that is understandable and doable. They can immediately “get” how to behave in meetings, the most effective communication methods and where the power centers are in the organization.

With this critical information, new leaders are equipped to more quickly produce the results for which they were hired. They are also more likely to express satisfaction in their work and their relationships if they have fully absorbed this cultural information. This translates to their performing at a higher level and increases their likelihood of staying with the organization, while not regretting their decision to join it.

The Next Level

It is apparent that leaders who are culturally aligned are well-positioned to execute the business strategy. Organizations that do not understand or choose to ignore this reality will find it difficult, if not impossible, to get where they need to go. The best way to take an organization’s leadership team to “the next level” and have it perform beyond expectations is to create the culture to support it. Leadership culture is real and powerful, yet why do so many companies discount or ignore it? Maybe because it’s hard to see and understand an organization’s culture from the inside. It is the same as not knowing what your own house smells like, it’s too familiar. If organizations are serious about building a leadership culture that supports their strategies, they must also be serious about understanding their individual cultures. Only then will they be able to align their leadership teams and deliver their desired results.

¹Mark Fields, President, Ford North & South American Auto Operation,
As quoted in the *Wall Street Journal*, January, 23, 2006

²Carrott, Gregory T., Kell, Thomas. *Culture Matters Most*. *Harvard Business Review*, Harvard Business Publishing Corp, May 2005.

About Connect the Dots Consulting

At Connect the Dots Consulting, we help to create customized leadership onboarding solutions with the organization's Human Resources Partners. We blend onboarding best practices with existing processes and company culture to provide the new leaders with a consistent and successful experience. We also build internal capacity for Human Resources and create "internal experts" for onboarding. To learn more, contact us at www.connectthedotsconsulting.com

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