

Summary:

The way leaders behave has a ripple effect through the organization, all the way to the bottom line. This is the reason why we refer to Leadership Culture (vs. Organizational Culture) and why it makes sense for any company to not just “let culture happen”, but to be very intentional about it.

Impacting Your Bottom Line Through Leadership Culture

“Leadership Culture” is usually not a term we use, instead we more often talk about the Organizational Culture, which is interesting in that there seems to be no one clear definition of what that actually is, or how it influences the organization. Attempts to define organizational culture include values, beliefs, behaviors, rituals and symbols one needs to know to understand the organization’s culture.

An organization in this context is a group of people who work together, and it is the people’s values, beliefs, behaviors, etc. that actually shape the culture. After all, without people, the organization does not exist. But whose values, beliefs and behaviors are truly the determining factor here? The leaders who run the company, and who make decisions, not just for the business, but also for the people in the company.

What is Leadership Culture?

One could question what the difference between Organizational and Leadership Culture is, and for some it may just be word smithing. However, the difference between Organizational and Leadership Culture terminology is that with the latter it becomes clear who is in the driver seat. Knowing who is influencing and shaping the culture then makes it easier to grasp how the organization can be intentional about its culture by setting behavioral expectations for those in the driver seat.

The way leaders behave has a ripple effect throughout an organization, impacting everything from employee satisfaction and engagement to the company’s bottom line.

That is why it is worthwhile to look at Leadership Culture, which is based on the set of beliefs, behaviors and expectations that shape how your *leaders* act and interact within an organization.

Their actions then determine what is considered the organization’s culture. In order for a company to shape its culture, it has to start with its leaders. For example, if you want a collaborative inclusive culture in your organization, your leaders must act in a collaborative and inclusive manner, displaying these behaviors themselves consistently and being ready to acknowledge and reward when others follow their lead.

How can you influence your Leadership Culture?

To be intentional about Leadership Culture, it is important to know what fundamental principles guide your leaders in their decision making, and whether your leaders behave and act in a way that is aligned with the company's objectives, what values they believe in and promote, and how they put them into action. Leaders are a vital success factor to the organization; through their actions, behaviors and decisions they decide how engaged and productive employees are, and whether employees like to work for your company or prefer to leave, affecting productivity and turnover levels. It may not be an immediate and direct impact on the bottom line, but few would deny such an impact. A strong Leadership Culture fosters consistency and predictability in how leaders behave. This, in turn, shapes the employee expectations and experiences within the organization.

To sum it up: Organizational Culture results from your Leadership Culture, and being intentional about how you want your leaders to act and decide, how you want them to treat your employees, what values you need them to role model – consistently in time and across the organization – will enable you shape an attractive and successful employer brand, fostering talent attraction, retention and engagement and avoiding cost due to lack of productivity and turnover.

BUILDING LEADERS...



... TRANSFORMING ORGANIZATIONS