

Leadership Behaviors Can Hinder Corporate Goals

By Kathleen Goolsby

Imagine being a new employee in a company and observing right away that you've joined an organization that has a culture that values cooperation and collaboration instead of competition and that everyone embraces new ideas with a "can-do spirit," people are flexible and respond quickly to change, both morale and productivity are high, turnover is low, and people actually like working there.

Does it seem unlikely that such an organization exists? Did it simply have the good fortune to find and hire extraordinary employees? No. The reality is that such a corporate culture is dependent on an organization's leadership.

A corporate culture is the foundation for all decisions and actions within an organization. It is represented as "the way we do things around here" and is evident by observing the values and behaviors that management approves and rewards.

Leaders' behaviors have always been the source of demonstrating a corporate culture to employees, but the leadership role in today's organizations is more crucial to success than ever before. In the classic business model of the Industrial Age, leaders set the agenda and forced change in a top-down, command-and-control military style of operation. In the twenty-first century business model, leaders create motivation and an environment for success and create a capacity for ongoing change.

Think about the conclusions new employees in your organization will form and the level of performance they will strive to attain, based on their observations of your organization's culture. What is valued and rewarded in your corporate culture?

For example, consider an organization where management says it wants flexibility, quick response to change, and information-sharing and collaboration but gives raises or promotions to employees who display mediocrity rather than the expected behaviors. Employees will behave in a mediocre manner because they know the organization does not actually value commitment to innovation and performance excellence.

In another scenario, employees' observations of corporate values can damage a leader's feedback intended to facilitate change in an individual's or group's behavior toward more effective performance. If the organization has a culture of blame, it displays to employees that it places value on compliance. The result will be employees who focus on withholding information rather than collaborating and on resisting change and not taking risks for creativity and innovation. In a culture of blame, a leader's feedback will be interpreted as finger-pointing and criticism instead of a mutually beneficial suggestion that leads to greater outcomes.

A Prichett, LP research study ("Deep Strengths") on what makes an organization strong found that CEOs of for-profit organizations ranked "can-do attitude" as the strength most important for corporate success. They also ranked creativity and innovation as crucial. Do these strengths exist in your corporate culture?

What needs to be improved or enhanced in your organizational culture? Effective cultures emphasize:

- Setting high, but achievable, expectations
- Rewarding collaboration
- Fostering interdependence
- Personal responsibility and accountability

They also emphasize improving such cultural aspects as:

- Problem-solving skills
- Employee communication with co-workers and customers
- Interaction between employees and supervisors and other authority figures
- Decision-making and organizational skills

But efforts to change corporate culture will challenge employees' mind-sets and beliefs. They will respond according to a phenomenon known as the "Pygmalion Effect." Based on the George Bernard Shaw play, "Pygmalion," and its musical adaptation, "My Fair Lady," in which Professor Henry Higgins transformed Eliza Doolittle from a guttersnipe Cockney girl into a high-society lady, the Pygmalion effect describes the fact that most people adapt their behavior or performance to meet other's expectations of them.

In a classroom setting, for example, the phenomenon impacts how quickly students learn and how well they perform, simply based on their teachers' and parents' expectations. Similarly, an employee's quality of work and mind-set toward challenges depends on understanding what is expected of the employee. Understanding comes through example. Just as a new employee adapts and performs based on observing behaviors that are rewarded, existing employees will do the same in a culture-change initiative.

Whether they are C-level executives, business unit managers, supervisors, or team leaders, effective leaders always lead by value and example, not by position or intimidation. Regardless of the size of the organization, leadership sets the tone and style of how people interact with each other and how they respond to challenges. They do this by their actions, not by their words. Employees watch leaders very closely and remember leaders' behaviors and actions.

Thus, changing any aspect of a corporate culture starts with changing the behavior of key leaders so that they set good examples and correctly influence employees, inspire vision and confidence, motivate action among employees, and achieve results. This requires a very specific set of skills.

Leaders must pay attention to the corporate culture they create. Without the requisite skills for effective behavior, leaders can hinder performance excellence, innovation, and other corporate goals. To learn more about developing effective leadership skills, see the [Leadership Quadrants training](#), portfolio of [leadership training programs](#), and [Interpersonal Effectiveness Skills training](#) from Partnering Intelligence.