

# Evolving Your Leadership Culture

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Culture matters. Organizations seeking to grow and adapt in the face of complex challenges in turbulent times—like now—cannot get there by purely technical approaches such as restructuring and reengineering. Human systems interventions are also not enough unless they take organizational culture seriously. Where strategy meets culture, culture always wins.

The good news is that organizational cultures can evolve to face new challenges. In our own research we have seen this happen—by leaders working together to *make* it happen—and we have studied the key role that *leadership culture* plays in organizational growth and adaptation.

In this article we describe what we mean by leadership culture and why it is important for organizational engagement, growth, and adaptation in the face of complex challenges. We look at three levels of leadership culture, from simpler and developmentally “earlier” forms to more complex and later forms. Each level of culture has its own characteristic way of how leaders engage the organization. An *interdependent leadership culture* is the only one complex enough to promote intentional, sustained, and inter-systemic ways of engaging the organization for strategic change. Finally we look at practices for engagement that promote cultural evolution appropriate to both where your leadership culture is now and where it needs to be.

## **From Leaders to Leadership**

As part of the Center for Creative Leadership’s GOLD (Global Organizational Leadership Development) practice, we have studied the leadership approaches of many successful

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<sup>1</sup> This article is based on the work of the Connected Leadership R&D team of Wilfred H. Drath, Richard L. Hughes, Cynthia D. McCauley, John B. McGuire, Patricia M.G. O’Connor, Gary B. Rhodes, Ellen Van Velsor, Ron Rabin, and Kris Downing.

organizations. Rather than analyze the actions of individual *leaders* in isolation, we view *leadership* as the social processes that produce shared direction, alignment, and commitment among those who share work, such as teams, workgroups, business units, all the way up to the entire organization. Three aspects of this social process are of particular interest to practitioners as well as scholars:

- **Leaders:** the individuals actively creating or guiding the production of direction, alignment, and commitment.
- **Leadership practices:** the actions and routines intentionally deployed in the organization (or in subgroups) to create and sustain the leadership outcomes of shared direction, alignment, and commitment.
- **Leadership beliefs:** the taken-for-granted assumptions, beliefs, and values widely shared in the organization (or in subgroups) that determine and justify the leadership practices.

*Leadership culture* then is the mutually reinforcing “web” of these beliefs and practices, as they are held, tested, and evolved over time in an organization or other community. Notice that followers as well as leaders are participants in the leadership culture, though with different roles that vary dramatically depending on the type of culture.

### Three Levels of Leadership Culture

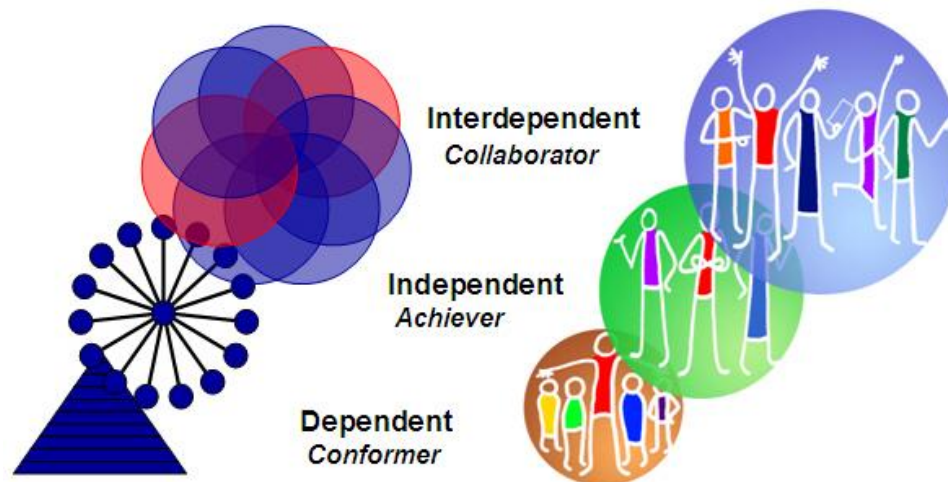
Leadership cultures can be broadly characterized as *dependent*, *independent*, or *interdependent*:

- **Dependent leadership cultures** are characterized by the assumption that only people in positions of authority are responsible for leadership. This assumption may lead to organizations that emphasize top-down control and deference to authority. In general, dependent cultures can be thought of as “conformer” cultures. Other characteristics associated with dependent cultures are concentration of decision-making authority in a few senior positions, seniority and position levels as an important source of status, a conservative approach to change, an emphasis on keeping things running smoothly, and the tendency to publicly smooth-over mistakes. Dependent cultures can be successful in stable environments where change is slow and where internal control and stability are of value.
- **Independent leadership cultures** are characterized by the assumption that leadership emerges as needed from a variety of individuals based on knowledge and expertise. This assumption may lead to decentralized decision-making, high demand for individual responsibility, and competition among types of experts. In general, independent cultures can be thought of as “achiever” cultures. Other characteristics associated with independent cultures include individual performance as an important source of success and status, an emphasis on taking calculated risks, open disagreement, and independent actions within functions or workgroups. Independent cultures are successful in competitive environments where entrepreneurial initiative is effective.

- ***Interdependent leadership cultures*** are broadly characterized by the assumption that leadership is a collective activity that requires mutual inquiry and learning. This assumption may lead to the widespread use of dialogue, collaboration, horizontal networks, valuing of differences, and a focus on learning. In general, interdependent cultures can be thought of as “collaborative” cultures. Other characteristics associated with interdependent cultures include the ability to work effectively across organizational boundaries, openness and candor, multi-faceted standards of success, and synergies being sought across the whole enterprise. Interdependent cultures are successful in adapting to rapid changes in which it is necessary to work inter-systemically, both internally as well as with external partners and collaborators across the value chain.

Leadership cultures tend to evolve along a path from predominantly dependent, to independent, to interdependent (as shown in Figure 1). Each of these forms transcends and includes the beliefs of the prior culture or sub-culture as special cases within the new and larger order. This path has much variety and many exceptions; most organizations are a unique mix of sub-cultures that combine these types of leadership culture. This variance can be strategically useful. For example, a dependent culture in accounting, an independent culture in sales, and an interdependent culture in research and development is not uncommon and can be effective.

Figure 1. Three Levels of Leadership Culture



### **Leadership Strategy Must Fit the Business Strategy**

*Leadership strategy* is the set of choices leaders make to evolve the organization’s leadership, including the leadership culture, so that it provides the human capabilities

necessary for achieving the business strategy. Any successful leadership strategy for organizational evolution or transformation must combine change leadership with change management.

*Business-as-usual* leadership strategies call for engagement *within* the present leadership culture. Thus in a dependent leadership culture, effective engagement is based in authoritative, one-way communication of clear goals and the plans to achieve them. In an independent leadership culture, effective engagement is customized to semi-autonomous functions and regions and their independently minded leaders. Interdependent leadership cultures obtain engagement through true collaboration, in which strong leaders subordinate and transform their own egos into the larger shared vision.

*Business-as-evolution* leadership strategies call for engagement *both* within and beyond the present leadership culture. To be effective, engagement in such cases must allow every member to rise above their current set of beliefs and practices and begin experiencing the next level. We call this “getting a bigger mind” and the way to do it is to create headroom in the organization. *Headroom* is the creation of on-the-job and real-time developmental experiences for people at all levels to become more mature as leaders, to tackle more complex challenges, and to practice collective leadership. Headroom is the metaphorical “space” (cognitive, emotional, physical) to learn from mistakes, to question assumptions, and to take a more strategic, systemic, and meaning-infused perspective on the work of the organization.

*Business-as-transformation* leadership strategies boldly target engagement within the future desired leadership culture. Headroom in this case means intentionally enacting the desired culture here and now. The senior team creates headroom by deliberately taking on new practices and beliefs and guiding others to “stand up” in this new, larger, transformed space.

Connecting the development of leadership culture to the business strategy of the organization will provide the path for evolving your leadership culture.

### **Leadership Practices: “Putting It in the Middle” at Lenoir Memorial Hospital**

Leadership cultures don’t change overnight. Even a CEO can’t transform an organization’s leadership culture single-handedly. It takes learning new collective behaviors, habits, and routines for creating the leadership outcomes of shared direction, alignment, and commitment. These are what we referred to earlier as *leadership practices*.

Consider the case of Lenoir Memorial Hospital (LMH), a regional health care provider in rural North Carolina, USA, faced with increasing competition, a changing demographic, and waves of new technologies. However, they were limited by their largely dependent culture, based in conformance to rules and regulations, with a steep management hierarchy. Some sub-cultures has developed more independent mindsets: doctors, nursing, and hospital operations all had their own sets of right answers, but with none of them really understanding the others.

As part of their effort to evolve their leadership culture toward interdependence, Lenoir began a leadership practice for dialogue and decision-making called “putting it in the middle.” The “it” may be any issue in which there are strong differences or conflict. The “middle” is kind of a mutual exploration of the differing perspectives. The issue is temporarily (at least) owned by the group instead of by any single owner or advocate. Conversation in this sort of dialogue is rich with questions, observations, and non-judgmental exploration. Participants experience the expanded headroom for having more than one right answer, and they learn from each other how to combine those answers for more effective decisions.

Putting it in the middle worked so well in addressing shared challenges that the hospital created a variety of cross-functional committees based in dialogue. Notable successes were achieved on challenges including infection control, medication management, tobacco policy, and the design of a next-generation critical care unit. The senior team works on their own cross-functional teaming skills—importantly, they were the first group to test and model interdependent beliefs and practices. As a result of these combined efforts and the resultant culture shift, key metrics have steadily improved on quality, safety, patient satisfaction, employee turnover, and financial viability. For example, the Patient Safety Committee, in the words of one of the members:

... would have been just one more committee, playing it safe, and everybody deferring to who’s in charge. Instead we tried collaborating. Now, people from different functions trade the chairman role. Everybody owns all the problems, there are no priority silos. Conflict is okay now. We often ask ourselves “Is there more than one right answer?”—that works! ... This involvement in the culture goes all the way down into the nurses assistants and the security group. Everyone who comes in contact with patients is a part of this learning and collaboration about how to improve safety. The new leadership culture goes way beyond the management ranks.

### **Effective Engagement Depends on the Level of Leadership Culture**

How leaders best engage organizational members, and each other, depends on the present level of the leadership culture. It also depends on the future level of leadership culture needed to support the business strategy.

By engagement, we mean the connectedness in how people interact with each other, how people learn or don’t learn together, and mutuality while making sense of ambiguity and uncertainty. In one organization, engagement looks like military command and control, while in another it looks like an jam session of jazz musicians. Each are forms of engagement, and each can be effective in the right context, but the leadership cultures expressed are quite different.

At a dependent level, successful engagement is experienced as waiting for and listening to people in authority for direction and instruction. There is little mutuality. Communication is one way. The top holds power, the middle translates direction, and the bottom implements work. Dependent cultures are efficient but slow to react, learn, and evolve.

At the independent level of culture, successful engagement is experienced as achievement within a well-operating system. Control is distributed. Independent cultures are fast to learn within independent operating units but are less effective in working across the boundaries of the value chain.

### From Dependent to Independent

An organization can evolve from a dependent to an independent leadership culture. (The hyper-transformative stretch all the way to an interdependent culture from a dependent one risks *disengagement*.) This includes encouraging employees to own their work and get things accomplished through influence rather than relying primarily on directives from individuals with formal authority. Independent individuals are better equipped to work effectively in peer contexts where leader-follower roles don't apply, such as self-managed teams, cross-functional project work, and communities of practice.

Here are several key leadership practices that promote engagement while evolving from a *dependent* to an *independent* leadership culture:

- **Mandate coaching and feedback.** Dependent cultures are “feedback poor.” Start on a path to “feedback rich.” Adopt simple tools and methods for how to share feedback and other sensitive data. Create data-based performance reviews. Develop skills across the organization for measuring and analyzing “how are we doing” and “how am I doing.” Use the power of authority to dictate the opening-up of authority to feedback.
- **Enhance functional specialization and professional development.** In dependent cultures, people are often poorly fit to roles: “*It’s who you know not what you know.*” Evolution requires better attention to professional practices and standards and a move from favoritism and seniority to expertise when assigning roles. Begin to deliberately practice talent development.
- **Get out of the house.** Dependent cultures sometimes believe that they are unique and apart from all the rest—“*It’s all about us.*” Visit competitors and parallel industries for best practices and good ideas. Scan the environment for opportunities and threats—not just once but routinely, and in group settings. Begin to hire more from the outside, and select for “*who we want to be*” rather than “*who we’ve always been.*”
- **Embrace creativity.** Creativity is the first step to innovation and collective learning. Dependent cultures often need to loosen up and allow exploration and self-initiative. Acknowledge and support creative acts in the organization, both incremental creativity as well as out-of-the-box creativity. If your culture tends to be “left brain,” then explore “right brain” tools and approaches, and vice versa.
- **Promote systems thinking.** Specialist thinking benefits from the added discipline of systems thinking, a way of seeing the world more complexly and completely. The best resource for systems thinking is still the *Fifth Discipline Fieldbook* by Peter Senge and his colleagues (1994). What are your talent systems? Your people systems?

- **Create and rotate leader roles.** In dependent cultures, the term “leadership” is understood as the people at the top as well as a few others with seniority or connections. Introduce the idea that manager and leader are conjoined roles, so that “*we have more leaders than we thought.*” Be explicit about, and develop, the leader aspects of manager roles, including team leader roles. Rotate people through leader roles, including taking turns running meetings that “the boss” normally runs.
- **Support teaming skills.** Systems thinking extends to human systems. Specialist cultures benefit from understanding their relationships at work in more systemic ways, including how their own teams function. Teams benefit from models about how to work better together, including ways to specify and rotate roles, outcome based planning, give each other feedback, and so on. Train teams to deal with conflict. Just in time and informal facilitation by a colleague or HR specialist can have great impact early in the formation of teams.
- **Foster communities of practice.** Experts are prone to become isolated within their specialties and even within their specific tasks. Communities of practice cut across narrow specialties to gather people engaged in similar real-world problems and interests. The power of spirited communities of practice to bypass bureaucracy and solve real problems and create innovation is enormous. Such communities tend to be self-organizing, but then benefit from adequate permission, guidance, and recognition to stay engaged.
- **Develop the senior team toward interdependence.** Senior teams often (but not always) operate within themselves at a higher level of leadership culture than the rest of the organization. With some coaching, and the presence on the senior team of one or several “bigger minds,” evolution toward interdependence is possible. The developmental emphasis should be on readiness for leading culture change. This means working on three things: *intentionality*, or the deeply felt imperative for change; *time sense*, or the ability to see past the sprint to the marathon; and *control*, or their ability to share rather than dominate the leadership work of direction, alignment, and commitment.

### From Independent to Interdependent

At the interdependent level, successful engagement is experienced by employees as high connection plus high freedom in an environment of collective learning. People mutually generate organizational direction and alignment for getting there. This includes the internal human experience of interpreting vagueness and ambiguities through the process of dialogue.

Organizations that we have studied typically have interdependence as their longer-term aspiration. Those who are successful often take incremental (“we made little changes toward the culture we wanted”) and experimental (“we began experimenting with self-directed work groups”) approaches that allowed them to learn along the way. Gains are understood as fragile, with the possibility of reverting to previous practices ever present (“you have to continue to fight for the interdependent aspects”). The “superheroes” of the successful organizations were not leaders who had all the answers or ruled by fiat. Rather, they used their power and influence to create the

right environment for organizational change—often going against the grain of the standards of the industry. Their decisions were based on a shared belief (even if at first only among the senior team) that a different approach was not just an option, but an imperative.

Here are a few key collective leadership practices that promote engagement while evolving from an *independent* to an *interdependent* leadership culture:

- **Promote dialogue.** Independent “achievers” drive toward individualized goals and often lack lateral vision. The various practices of dialogue (such as *putting it in the middle* as we saw at LMH) are a way to occasionally slow down the conversation to reflect on otherwise unquestioned assumptions and undiscussable topics. In dialogue, leaders learn to take and then integrate the perspectives of others. Crisis and times of change are especially good times to try these different forms of conversation, which can build and maintain trust and create new perspectives for effective action.
- **Enlist more leaders in the work of culture change.** Independent cultures often have problems collaborating across regional and functional boundaries. At this stage of development, the organization can be capable, with some conscious effort, of re-examining its assumptions and deliberately pursuing a more collaborative, learning culture. Find and support the critical leaders who are able to champion culture change in their own spheres of influence. Use their experiments in culture change as lessons for others to adapt. Identify and promote leaders in the talent pipeline who are ready to transcend their own egos and be collaborative.
- **Craft a leadership strategy.** A leadership strategy is an organization’s implicit and explicit choices about the leadership culture, its beliefs and practices, and the people systems needed to ensure successful implementation of the business strategy — a strategic intent that includes the whole organization. As the senior team becomes more interdependent, leadership strategy and the creation of *headroom* becomes their most important shared work.
- **Sponsor action development teams for strategic results.** Action development teams implement the leadership strategy. Action development means working across boundaries on complex challenges, with explicit sponsorship and coaching, while developing new and better ways of working together.
- **Talent processes for the new culture and future success.** Hire for the organization you want to become, not for who you used to be. Look for people who want to be part of something larger than themselves. Like Google, use your own people as ambassadors for top talent, and let the appeal of your culture draw in like-minded people. Hire people even more collaborative and more cognitively complex than yourselves, and who span into critical new territories of knowledge, if you want to become a more interdependent organization.
- **Positive turbulence and disruptive technology.** Advanced leadership cultures are on the lookout for game changing ideas, no matter where they come from. Change is accepted as the cost of pursuing and implementing new ideas. Leaders know how to keep their organization productively off balance and open to innovation. This requires both the *science* and the *art* of change—change management *and* change



leadership. New operations innovations must be accompanied by advanced human systems technologies for intentional collaborative work.

### **Conclusion**

With this focus on culture as the engine of leadership, is a leader's role minimized in the organization of the future? Quite the contrary. Senior leaders, leaders at all levels, and even followers and the ways they engage play critical roles in defining, enacting, and evolving the leadership culture. Leaders working together can intentionally take their organizations on a path of positive cultural evolution, even transformation, and become immensely more effective in strategic execution. On the other hand, we have seen cultures regress, for example when re-engineering is imposed using a dependent leadership approach. In the world of growing complexity and economic turmoil faced by today's multi-national organizations, the only alternative to evolution may be extinction.

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