

What came first, the chicken or the egg? That question may be as old as time itself.

At Deloitte, we're pondering a modern version of that question. Does the leader create the culture or does the culture create the leader? Taking that a step further, what's the cost to an organization's culture if the leader is a "bad" egg?

Culture is a system of values, beliefs, and behaviors that shape how real work gets done in an organization. When organizational culture is aligned to business strategy, the workforce will act and behave in ways that support the achievement of business goals. It's the leader's duty to uphold the values and beliefs of the organization's culture through their actions and decisions. This, in turn, enables the execution of strategy.



Results showed, on average, an equity premium of up to

15% 

for organizations with **perceived effective leadership**

and

a discount of as low as

19% 

for organizations that **were perceived to have ineffective leadership**.

Culture, leadership, and strategy are the triumvirate that together steer the organization toward excellence—and much like any triumvirate, being in sync is necessary for an effective working relationship. Put simply, a stool with only two legs topples—every time.

So what is the cost when a leader fails to exhibit and balance these critical components of their role? A leader that does not align with, act on or uphold the organization's values can encounter tensions that impact their ability to drive results. Poor leadership can reinforce the wrong values, behaviors, and attitudes, creating interferences that can shape a toxic culture and create discord between an organization's image and how they actually operate. A leadership study¹ conducted by Deloitte measured the impact of effective

leadership, finding that the quality of senior leadership had a measurable impact on analyst opinions about whether companies would be successful. Results showed, on average, an equity premium of up to 15% for organizations with perceived effective leadership and a discount of as low as 19% for organizations that were perceived to have ineffective leadership.

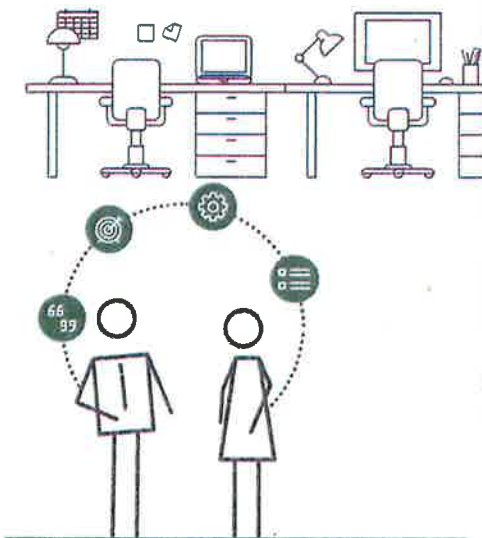
These results reinforce an old saying: leaders make and break organizations every day. Leadership and culture are the crosshairs that, when coordinated, can make for a competitive advantage in an organization.

Let's take a look at three key areas where the intersection between leaders and culture is paramount.

A leader needs to...

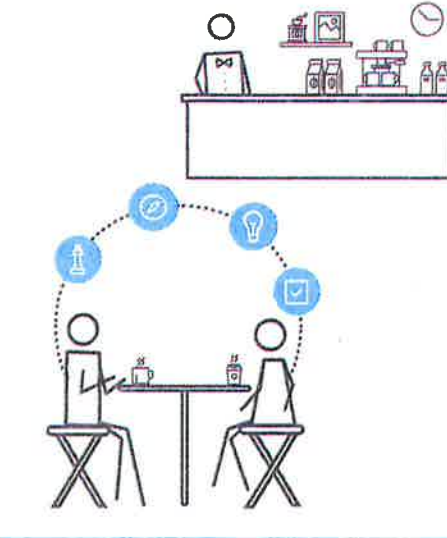
fit with the culture and model desired behaviors.

An organization's culture isn't always "right," and a leader's approach certainly isn't infallible either—but at the end of the day, the leader's example sets the tone for the organization. Leaders' values, actions, and the development of their teams need to visibly reinforce the culture of the organization. Through the example they set, leaders shape the culture in their words and actions every day. These actions then gain momentum through a variety of structures, policies, and governance, shaping how employees operate.



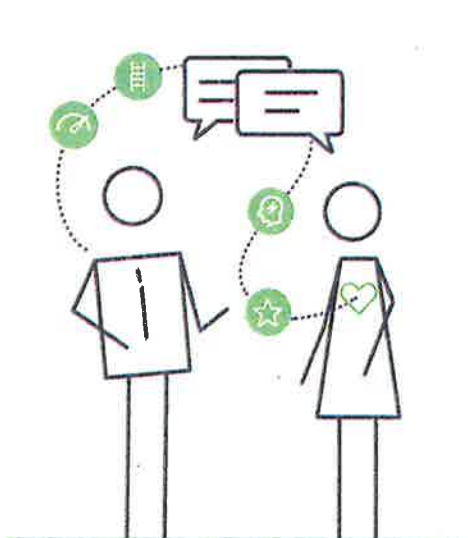
understand his or her fit with the culture and use that awareness to drive positive change.

Some leaders tend to "go with the flow," leveraging existing channels to get things done. Others may tend to move outside of the typical way things get done, using a different set of values or behaviors to achieve results. Leaders in tune with their fit in the existing culture can more effectively drive change through understanding when to leverage existing ways of working and when to mix up their approach. An effective leader uses this self-awareness to inform an intentional approach toward daily decision making, recognizing each action shapes the culture they operate within.



connect with employees' hearts and minds, aligning to a common purpose.

As discussed in our publication *Take your corporate culture off cruise control*, emotions are the driving force for human behavior, more than rational calculation. To shape and sustain organizational culture, leaders need to connect with the emotional side of the workforce, creating a shared sense of purpose and motivation. Efforts leaders make to shape and guide the behaviors connected to a greater purpose can have a multiplier effect and quickly gain momentum across the organization.



Leaders play
an instrumental
role in connecting
with the hearts
and minds
of their
workforces.



So what does it all mean—did the egg really come before the chicken? Does the leader create the culture, or does the culture create the leader?

At Deloitte, our experience shows that a culture aligned to an organization's strategy can provide a competitive advantage.

Leaders not only set the strategy, they also play an instrumental role in connecting with the hearts and minds of their workforces, reinforcing the values and habits through their own behavior and actions, and ultimately shaping their organization's culture.

Contacts

Anthony Abbatiello

Principal, Human Capital
Deloitte Consulting LLP
abbatiello@deloitte.com

Sonny Chheng

Principal, Human Capital
Deloitte Consulting LLP
schheng@deloitte.com

Alyson Daichendt

Managing Director, Human Capital
Deloitte Consulting LLP
adaichendt@deloitte.com

Marc Kaplan

Leader, Organization Transformation and Talent
Deloitte Consulting LLP
mkaplan@deloitte.com

Karen Reid

Manager, Human Capital
Deloitte Consulting LLP
karenreid@deloitte.com

Endnotes

¹ The Leadership Premium, how companies win the confidence of investors, Deloitte 2012



CulturePath™

Winner Top HR Product Award

www.deloitte.com/culturepath

Deloitte.

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see www.deloitte.com/us/about for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Copyright © 2016 Deloitte Development LLC. All rights reserved.

George Ambler<<http://www.georgeambler.com/>>



Leadership is Not Title or Position

By George Ambler<<http://www.georgeambler.com/author/gt76hy89uj65uy49/>>, November 17, 2016

in 134  Tweet  29  533

Many see leaders as those with power and position. This view of leadership assumes that leaders are the few people at the top of an organisation. Nothing could be further from the truth!

"
"All the effective leaders I have encountered – both those I worked with and those I merely watched – knew four simple things: a leader is someone who has followers; popularity is not leadership, results are; leaders are highly visible, they set examples; leadership is not rank, privilege, titles or money, it is responsibility." – Peter Drucker
"

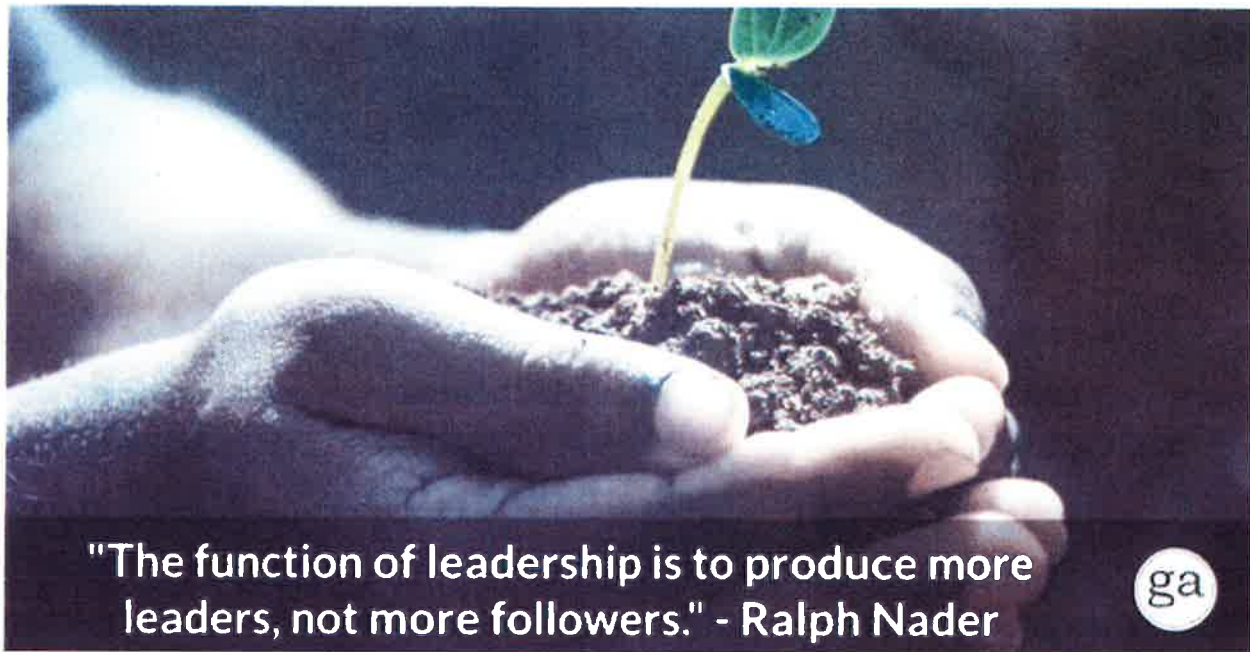
Position, title and authority are often confused with leadership. We often read news reports that refer to anyone with a title as a "leader". However, leadership is not an actual position or title. Whether you're the president of a country or a chief executive officer, your title does not make you a *leader*. All a title does is make you a senior executive.

Whilst position and authority provide you with the *potential to lead*, it does not make you a leader. You don't suddenly become a leader just because you have a fancy new title. In fact, you don't need a title to lead. Every day you can find examples of people with fancy titles that fail to demonstrate leadership.

Leadership happens when people allow you to *influence* their lives. It's only when your influence causes people to work towards a shared vision that you become a leader. Leadership is more about influence and relationship than it is about control and giving orders.

The Danger of Leadership as Position





A danger of seeing leadership as the result of position, rank, power and authority is that it leads to dictatorships and control freaks. Leaders who think that because of their elevated position they can do whatever they like.

Leadership as position encourages "leaders" to use command and control as a way of getting things done. This style of leadership results in the following negative outcomes:

- Leading from position undermines meaningful relationships.
- Leading from position encourages negative political behaviour.
- Leading from position crushes the human spirit.
- Leading from position results in compliance.
- Leading from position frustrates creativity and innovation.
- Leading from position erodes trust.
- Leading from position produces mediocre results.
- Leading from position feeds the ego.
- Leading from position destroys empathy for others.

Those who lead from position don't invest the time needed to create a shared vision<<http://www.georgeambler.com/vision-separates-great-leaders/>> that inspires others.

"

"The problem is that while authority can compel action it does little to inspire belief. Only leadership can do that. It's not enough to get people to do what you want, they have to also want what you want or any change is bound to be short-lived." – Greg Satell, *To Create Real Change, Leadership Is More Important Than Authority*<<http://www.digitaltonto.com/2014/to-create-real-change-leadership-is-more-important-than-authority/>>

"

Another big danger of seeing leadership as position is that it undermines the development of others. When we see position as leadership, we falsely assume that leadership responsibility resides with the few people at the top of the organisation. When this happens leadership potential residing in others is not nurtured. Instead, what we need in the fast-changing world of today is *leaders at all levels* of the organisation.

"

"Before you are a leader, success is all about growing yourself. When you become a leader, success is all about growing others." – Jack Welch

"

Leadership is not the exercise of control over others. Leadership is the empowerment of oneself and others towards a shared vision.

Leadership is Influence

"

"The key to successful leadership today is influence, not authority." – Ken Blanchard

"

It often comes as a surprise to new leaders that a large part of their job involves influencing others outside of their control. I often hear senior executives complaining about their lack of control. They say things like *"If only the operations area reported to me, I could get a lot more done"*. These leaders believe that if they could control people, they would get the results they wanted. The reality is that you cannot control anyone – except yourself. Leading by command and control is the lowest form of leadership. Control is an illusion. Control is limiting. Control is demoralizing. Control doesn't scale. The best leaders don't lead from position.

When you think of a *leader*, who comes to mind? When I think of leaders, I think of people like Nelson Mandela, Martin Luther King, Jr., Jesus Christ, Rosa Parks, Mother Teresa, Mahatma Ghandi and many others. The majority

of these leaders did not have any formal position or authority. The lives of these leaders were not defined by their position. Yet, these leaders changed the course of history. Their leadership was defined by the impact they had on the lives of others. Leadership then is about what you do, not where you're seated.

"
"Leadership is influence. Nothing more. Nothing less." – John Maxwell
"

The hallmark of effective leadership is the influence you have on the lives of others.

Leadership is about influence, not control. The greater your influence, the greater your leadership. Thus if you want to improve your leadership, you need to improve your influence. So how do you improve your leadership?

Firstly, you need to accept that influence doesn't come from position.

Influence comes from caring for others. If you don't care for people, you cannot influence them. If you cannot influence others, you cannot lead. It's through relationships that leaders gain influence.

"
"No one cares how much you know until they know how much you care." – Theodore Roosevelt
"

Developing influence means making the decision to *care* for others. Leaders care about the impact their actions have on others. Leaders care about the quality of their relationships. Leaders care about the kind of contribution

they're making to others and to the world.

Success<<http://www.georgeambler.com/successful-leaders-create-definition-success/>> is about adding value to yourself, whilst significance is about adding value to others.

Your Turn



**"Leadership is an action, not a position."
- Donald McGannon**



Leadership has nothing to do with your position, rank or authority. True leadership is not appointed, mandated or assigned. If you're going to make a difference, you will need to sharpen your leadership skills. This means improving your influence.

Consider your leadership style:

- Do you rush to lead from your position? Or do you take the time necessary to influence others?
- What are you doing daily to expand your influence?

- What do you do to show others that you care?

Remember: Leadership cannot be demanded, it can only be earned!

Copyright © 2017 George Ambler. All Rights Reserved.

Privacy<<http://www.georgeambler.com/privacy-policy/>> * Terms of Use<<http://www.georgeambler.com/terms-of-use/>> *
Contact<<http://www.georgeambler.com/contact/>>

Inclusive Leadership: Critical for a Competitive Advantage



Berlitz Cultural Insights Series

Author: Malini Janakiraman



A Berlitz Company

Inclusive Leadership: Critical for Competitive Advantage

Diversity without inclusion does not work

Diversity exists today in just about every part of the world and every industry sector. As the world becomes "flat" and organizations continue to globalize, a diverse workforce is commonplace.

Global organizations understand that a diverse workforce can be the primary source of competitive advantage. But simply having a diverse organization is not enough.

Successful organizations share one common characteristic. They have learned how to leverage diversity to create a unified and inclusive global culture.

This includes developing a deeper understanding of culture and cultural differences as it applies to individuals, teams, functions and organizations.

Practicing diversity and inclusion on a global scale allows for more effective talent management (attraction and retention), more effective alignment and team performance, and improved efficiency, all factors which contribute to building a high-performance organization.

To be successful, organizations and corporate leaders must embrace the differences people represent and demonstrate they are inclusive as well as diverse.

Global trends

The importance of diversity and inclusiveness are further underscored by key global trends that are affecting the workforce.

- The workforce is advanced; industrialized economies are maturing.
- The percentage of immigrants and minorities in the workforce and customer base of industrialized countries will increase.
- The proportion of women in the workforce and in decision-making positions will increase.
- There is increasing recognition and acceptance of gay/lesbian lifestyles.
- People with disabilities are increasingly represented in the workforce.
- There are increasing cross-border/cross-boundary influences and dependencies (M&A, suppliers, JVs, stock- and stakeholders, etc.).
- Several generations with different needs and learning styles are represented in the workforce.

Understanding Diversity and Inclusion

"We can go back to drawing board and ensure we continue to hire to the optimum mix, but our turnover pattern does not change! Not sure what to do. We have created affinity groups and they seem to be working but..."

(Heard from many hiring managers and HR professionals)

"Global Organizations are characterized by a high level of diversity particularly on a linguistic, cultural (national, organizational and functional) and experiential basis. What is not given however is the degree to which the organization's culture possesses the quality of inclusiveness."

Joerg Schmitz and Nancy Curl: The Guide for Inclusive Leaders. A TMC Publication.

Today, diversity has a much broader meaning than traditional definitions focusing only on gender and ethnicity.

Diversity in the global context can be defined as visible and invisible differences, thinking styles, leadership styles, religious background, sexual orientation, age, experience, culture etc.

Inclusiveness is the quality of the organizational environment that maximizes and leverages the diverse talents, backgrounds and perspectives of all employees.

Diversity is the mix; inclusiveness is the lever.

Many organizations focus on attracting a diverse group of employees, but then struggle with retaining the right talent. Organizations with a highly diverse workforce that do not pay attention to an inclusive environment are likely to be more dysfunctional than organizations without a diverse staff.

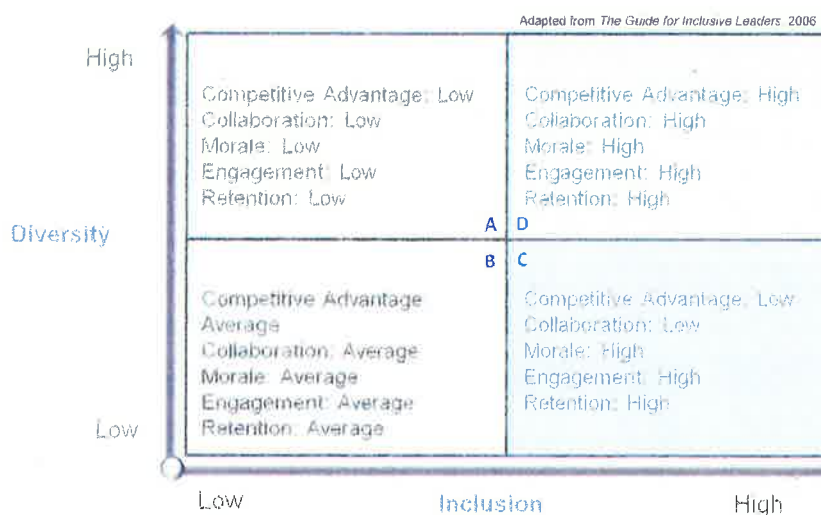
Research suggests that the answer lies not so much in policies and procedures as in the mindset of leaders in creating a culture that is inclusive.

The following chart shows the relationship between diversity and inclusion.

The upper left quadrant (A) shows high diversity but low inclusion. The lower left quadrant (B) represents low diversity and low inclusion. The bottom right quadrant (C) shows high inclusion but low diversity. Quadrant D shows high inclusion and high diversity.

Organizations that practice inclusion as well as diversity are able to experience high levels of collaboration, engagement and retention which provide a competitive advantage.

Achieving Quadrant D



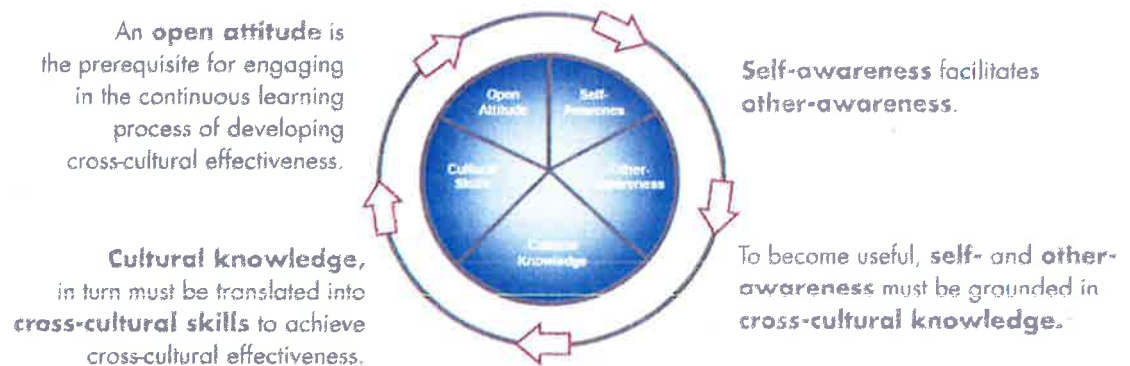
The role of the leader is crucial in driving performance in a globally diverse and inclusive environment

Traditional teams created with no particular emphasis on diversity typically perform at average levels. Global and culturally diverse teams experience heightened risks and opportunities, but high team performance occurs if the team leader drives performance through inclusiveness.

The journey to cultural agility

Focusing on inclusion starts with developing **Cultural Agility**, the ability to effectively navigate, communicate, interrelate and function well in diverse cultural settings.

Culturally agile leaders are adaptable and flexible. These are skills necessary to **reduce risk** and **maximize opportunities** to achieve performance and results.



Developing cultural agility starts with an open attitude, which leads to self-awareness, other awareness, knowledge and skills to apply this knowledge.

Leaders agile enough to diagnose team dynamics exhibit **change agent** behavior. Leaders who are unable or unwilling to use this change agent behavior can negatively impact the organization in a number of ways: unconscious biases in grooming of individuals, unequal and inequitable standards, lag in using diversity and inclusiveness to further client relations and grow accounts and the inability to retain talent.

Also important on the journey to cultural agility is a focus on micro-behaviors: small, subtle, often unspoken and unconscious behaviors that communicate dispositions, attitudes, biases, and sentiments. Body language, voice tone, and facial expressions can impact positively or negatively, putting some team members at a disadvantage and others at an advantage.

Four key skills are fundamental to attaining cultural agility:

- **Cultural Due Diligence:** the process of adequately assessing the possible effects of culture in relationships.
- **Style-Switching:** the ability to use a broad and flexible behavioral repertoire to accomplish one's goals.

- **Cultural Dialogue:** the ability to illuminate cultural underpinnings of behavior and performance, close cultural gaps and create cultural synergy through conversation.
- **Cultural Mentoring:** the ability to advise, teach and coach individuals in one's sphere of influence to (a) recognize the cultural underpinnings and consequences of their behavior, (b) understand the cultural and behavioral requirements for true inclusion, and (c) support change through inclusive behaviors, practices, and approaches (including policies and systems).

Practical suggestions to get you started on your journey to cultural agility

To become an inclusive leader:

- **Check your assumptions and biases.** Cultivate a non-judgmental attitude towards differences. Ask yourself: are your assumptions based on fact?
- **Assume positive intent.** Participate in meetings and discussions with a positive attitude to build an inclusive environment.
- **Slow down your responses.** Think and listen before you talk. Develop listening skills that help build inclusive behavior.
- **Scan social dynamics and interaction patterns for exclusion behaviors.** Look at your team. Are some members more dominant while others are more passive and quiet? Work to engage passive participants.
- **Treat everyone as your Number 1.** Give everyone a voice. For example, someone on a performance improvement plan should be treated with the same respect and included in the same way as any other colleague.
- **Deepen self and other-awareness.** Recognize your own behaviors, how it impacts team members' behaviors, and work toward becoming more inclusive.
- **Engage and motivate others in learning about differences and experiences non-judgmentally.** Speak with peers and direct reports about the importance of the journey to cultural agility. Talk about your own journey; share it with others and engage colleagues in conversation about the importance of inclusion.
- **Engage in constructive conversations to prevent, reveal and transform exclusionary patterns and behaviors.** Go into meetings and discussions with a win-win attitude.
- **Provide individual feedback and coaching to transform exclusion behaviors.** Be forthcoming and let someone know when their non-verbal or verbal behaviors are exclusionary.
- **Model inclusive behaviors in your sphere of influence.** Leaders lead by example.

"Innovation provides the seeds for economic growth, and for that innovation to happen depends as much on collective difference as on aggregate ability. If people think alike then no matter how smart they are, they most likely will get stuck at the same locally optimal solutions. Finding new and better solutions, innovating, requires thinking differently. That's why diversity powers innovation."

(Dr. Scott Page, Professor of Complex Systems, University of Michigan at Ann Arbor)



Berlitz Languages, Inc.
400 Alexander Park
Princeton, NJ 08540-6306
United States
Phone: +1 866 723 7548

Outside U.S.: +1 609 514 3220
www.berlitz.com



About Berlitz Corporation

Berlitz Corporation is a global leadership training and education company headquartered in Princeton, U.S.A. and Tokyo, Japan. With a strong global presence, Berlitz has more than 550 locations in over 70 countries. Founded in 1878, Berlitz has long been established as the world's premier provider of language and cross-cultural training services. Today Berlitz and TMC, a Berlitz Company, offer a comprehensive portfolio that includes communications skills development, global leadership training and scalable customized business solutions enabling individuals and organizations to leverage diversity through inclusive leadership, and work and lead successfully in today's complex global marketplace.

Berlitz programs can be delivered through facilitated sessions face-to-face, live online via the Berlitz Virtual Classroom[®], or through web-based self-directed or blended options. Together with TMC, we offer web-based learning programs and assessment tools. The Cultural Navigator[™] delivers the most comprehensive and timely cultural business intelligence available through an online interface. The Cultural Orientations Indicator (COI), a statistically valid assessment tool, measures personal cultural preferences. The COI enables individuals to acquire the awareness and knowledge necessary for building effective skills and behavioral adaptations for multicultural management and business.

Berlitz also serves the consumer market and provides educational services through study abroad programs and Berlitz Kids programs for children and teens. For more information on Berlitz programs and services visit www.berlitz.com. For information on TMC products and services, visit www.tmcincorp.com.

About the Author



Malini Janakiraman, a certified TMC consultant, has had 25 years of corporate experience in Accounting and Human Resources and is fluent in three languages. She was born and raised in Bangalore India and works on a global basis; currently consulting in the field of Diversity & Inclusion, Executive Coaching and Leadership Development. Malini has an International MBA from Thunderbird University.

Great Leadership

Opinions and information on leadership and leadership development by Dan McCarthy

[Home](#) [About Dan McCarthy](#) [Speaking and Consulting](#) [The Great Leadership Ebook](#) [Blogroll](#)

Want to build a performance management program?

Get started building a program people won't hate

Download

PERFORMANCE
MANAGEMENT
GUIDEBOOK



HALOGEN
SOFTWARE



Great Leadership Sponsors:

Improve your workforce productivity using Advance Systems Mitrefinch time and attendance systems

Wednesday, September 7, 2011

A Four-wheel-drive Diamond in the Rough Leadership Model

One of the cool perks of making the switch to university-based executive education is that I get to work with and learn from a lot of awesome business school professors. At the University of New Hampshire's [Whittemore School of Business and Economics](#), we often use our own faculty; however, I do have the flexibility to partner with external instructors when appropriate.

The following guest post is from [James Clawson](#), one of those external instructors we partner with in a program we're doing for a global, Fortune 500 client called "Change Leadership". See bio at end of post.

In fact, I'm thrilled to introduce a series of posts from Professor Clawson on the topics of change, which has been kind of a recent theme on Great Leadership.

I think you'll really love Jim's stuff - he's one of the preeminent thinkers in the world when it comes to leadership and change, he's insightful, inspirational, and funny, his models and advice are practical and effective, and he's an all-around great person to work with.



A Four-wheel-drive Diamond in the Rough

Theories of leadership abound to the point of confusion. What practitioners want and need, in my experience, is a practical framework that will allow them to influence in a variety of settings and incorporate new insights and various theoretical perspectives easily. I offer such a framework below. I call it a "four-wheel-drive" model because over the past three decades it has proven to be flexible, adaptable, and easily fitted to a variety of professional and personal situations. It represents a mental map of leadership that can traverse almost any kind of leadership terrain.

Elements in Effective Leadership

