

CREATING A LEADERSHIP CULTURE

Building or reinforcing a great culture can require a lot of work. But investing in your company's culture will have a major impact on performance.

What do we mean by culture?

Culture is a set of ingrained behaviors or norms that employees display instinctively. It's the extraordinary customer service you receive. It's the focus on quality you depend upon. When employees "get" the company's culture, they're going to make the right decisions – even in stressful or unfamiliar situations.

Here are some of the major benefits of investing in your company's culture:

- Companies with strong, distinctive cultures will be able to attract talented employees.
- Hiring decisions are easier when managers can assess if candidates will be a good fit with the company's culture.
- Managers have an easier time delegating if they trust that their employees know the values that should guide their decisions.
- Morale is boosted when employees feel a greater sense of cohesiveness and connection.
- Companies with strong cultures are more likely to receive positive media attention.
- Customers identify with strong company cultures – making them more likely to give positive "word of mouth."
- In times of disruptive change, companies with strong cultures will display more resilience.

Growing companies are often so focused on revenues and profits that culture can slip to the bottom of their list of priorities. Even a large, established company can make the mistake of neglecting culture. But as I discuss in my new book, effective leaders know that investing in a strong culture will pay off decades into the company's future.

Two Keys to Creating a Leadership Culture

Every company aspires to – or should aspire to – create a culture where employees are highly invested in the company's success and run it like they own it. But unless you have the right formula, you can make many missteps and blunders. I've spent years helping companies build effective organizational cultures. I've found the key is using the following equation: **Trust + Spark = Leadership Culture.**

In my new book, [The Leadership Equation](#), I expand the equation into the 10 most important practices for building trust and spark.

Trust:

- Trust hinges on a sense of reciprocity – that everyone’s doing his or her fair share. It’s the leader’s job to set the tone. He or she must demonstrate a willingness to listen, to act fairly, and to consistently make decisions in the best interest of the company, not in personal self-interest.
- To get the best performance from employees, leaders need to encourage open communication. When leaders share more information with employees on all levels, it opens the door for tough but important conversations, honesty about issues, and an exchange of ideas.
- Compensation is just one element of reciprocity – but it’s an important one. If people perceive equal pay for equal work, trust will grow.
- Giving people goals to aim for, with positive consequences if they succeed, will help build trust.
- Trust continually needs replenishment and reinvestment. Even when levels of trust are high, leaders need to keep reinforcing these habits.

Spark (or Innovation):

- Innovation works hand-in-hand with trust to be a major driver of organizational success.
- Leaders should encourage employees to experiment, try new things and embrace the possibilities inherent in innovation.
- Leaders and managers can help spark innovation by removing structural roadblocks or policy-related barriers.
- Leaders should shine a spotlight on any efforts to improve systems, increase sales, and out-perform the competition – whether successful or not.

When trust and spark are working in concert, people experience an increased sense of work satisfaction and creative flow. Together, they result in a culture where people all become leaders. In this kind of “leadership culture,” everyone runs it like they own it.