



The Impact of Leadership on Organizational Culture

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In today's business environment, organizational culture has become a strong determinant of success. Whatever be the stage or state of the organization, like navigating change, expanding footprint, ramping up operations or managing crisis, it is the cultural fabric of the organization that determines how adaptive, innovative and resilient the organization is. There are many determinations of organization culture. But the singularly most potent one is the leadership factor. The saying that "culture begins at the top, flows to the bottom and stays in the middle" is a telling testimony of the same.

In any organization, the primary architects of culture are the leaders in the spectrum of senior to middle management. It is their values, beliefs and actions that shape the same in the entire organization. While the organizational leadership sets the tone and direction, the organizational culture becomes ultimately a shared experience shaped by everyone's behaviours and interactions. This article showcases four key ways by which leadership impacts organizational culture and offers insights for leaders seeking to build a high-performing yet healthy work environment.

LEADERSHIP VISION AND COMMUNICATION ANCHOR CULTURAL DIRECTION

An important aspect of organizational leadership is about shaping a shared sense of vision and purpose with everyone. Communication of a clear,

compelling vision creates cultural alignment and coherence, whatever may be the size or expanse of the organization. When leaders communicate not just WHAT the organization does, but also, WHY it matters, they infuse a lot of meaning to daily mundane work. For an organization, leaders either find a purpose or they build it. This connective relation between vision and purpose acts as a "culture compass" when navigating change. However, mere articulation of the vision just once is not enough. The contextual relevance of the vision needs to be communicated regularly. Leaders who reinforce the vision and purpose through evocative storytelling, making strategic choices and engaging in regular dialogue land up building a culture that is founded on trust and engagement. Taking it even further, when senior leaders play a crucial role in translating abstract ideals into actionable priorities they are able to align everyone with the organization's mission and vision.

When mid-level leaders, play their role of being culture carriers—cascading the message through team interactions, transparent two-way communication, feedback loops and coaching they create a cultural environment where people feel seen, heard and valued.

LEADERSHIP BEHAVIOURS SET THE CULTURAL TONE

Culture is not something that is written on the walls of the organization. It is the thing that walks through it's walls. Either consciously or unconsciously, it

is those behaviours which the leaders model, that create cues as to what is acceptable conduct and what is not. The way the leaders treat people, solve problems, make decisions, handle noble mistakes etc, send powerful messages to the entire organization. Senior and middle level leaders must definitely understand that culture is often shaped more by what is tolerated than what is celebrated. Inconsistent behaviour at the top—where values are merely stated but not practiced—creates cultural dissonance and disengagement. Leaders who regularly lead by example, help to anchor values in lived and demonstrated behaviour. Leaders who listen deeply with empathy and welcome constructive dissent create a culture of psychological safety and DEI. On the other hand, leaders who admonish constructive criticism and punish noble mistakes land up creating a culture of fear and poor innovation. Over a period of time, the leadership behaviours cascade down to the entire organization and hard-codes the cultural rituals and norms, inter-personal dynamics and ways of working.

DECISION MAKING MIRRORS AND SHAPES CULTURAL VALUES

The visibility of culture lies in how decisions are made in an organization. This essentially means knowing, who is/are involved or included in decision making, what kind data is valued, how trade-offs are negotiated and navigated. Leaders influence culture through the

priorities, practices and principles they apply in these moments. For instance, a leader who makes democratic decisions lands up building an inclusive culture. Another leader who consistently makes decisions by looking through a long-term lens reinforces a culture of sustainable strategic intent.

In the same breadth, a leader who prioritizes speed and experimentation signals a culture of agility and innovation. More importantly, just as the way, a moment of crisis does not build our character but rather reveals it, leadership decisions in moments of crisis or tension like layoffs, ethical dilemmas, crisis response, reveal the "true" culture. The proverbial "litmus test" questions during these moments are: Are the decisions made humanely? Are the employees consulted? Are the values upheld under pressure? From a culture perspective, the above instances often have an inordinate impact on trust and cohesion. What it means for leaders is, how they can integrate cultural considerations into strategic and operational decision-making. What matters is not just making the "right" decisions, but making the decisions in the right way. In an organization, when decision-making aligns with it's espoused values, the cultural credibility moves northwards. When that doesn't happen, culture erodes quickly. Clear and consistent reasoning coupled with accountability are essential leadership practices to fortify desired cultural norms.

LEADERSHIP AND TALENT DEVELOPMENT SIGNAL CULTURE IN MOTION

An established fact about culture is that it is not static. As the organization grows, new business areas emerge, the

market shifts and new talent enters, the culture evolves. Leaders who intently invest in growing other leaders create a cultural multiplier effect. Developing the next generation of leaders is less about skill-building; than it is about encoding the cultural.

DNA into the next generation. For instance, questions like, who gets promoted, who is selected for getting mentored or who gets the recognition,



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signals clearly, what is truly valued by the organization. Further notable questions are; Are high performers who embody collaboration, empathy and integrity elevated? Or, are the technically brilliant but culturally toxic individuals rewarded? The answers to these questions, speak volumes. Towards shaping the desired culture, senior leaders must be purposeful

and intentional in designing talent processes that align with cultural aspirations. Coming down the hierarchical pyramid, the middle level leaders serve as a cultural bridge between strategic intention and frontline execution.

Through concerted actions pertaining to giving feedback, coaching, mentoring and virtue modelling these mid-level leaders become uniquely positioned to cement culture. To build trusting teams, boost innovation and drive cultural values these leaders must be empowered.

CULTURE AS A STRATEGIC ASSET

Leadership and culture are two inseparable forces. Put together, they shape the thinking, feeling and acting of the organization. Ultimately, it is the balance of these three factors that produce business results. Leaders who disregard culture often find themselves solving the same organizational problems, ad-nauseam, like low engagement, poor synergy, elusive accountability, high attrition and the like, without understanding that the root cause of the said evils is actually cultural, not technical.

On the other hand, leaders who recognize the merit in deliberately shaping culture through their behaviour, communication, decision-making, and the talent choices they make, create enduring competitive advantage. They build organizations that attract great people, combat disruption and deliver consistent business and people value.

For today's senior and middle leaders, the message is clear. Culture is not HR's job, it is yours. Lead with intentionality, and the culture will follow.