The Role of Culture in Search and Succession

Busting three common cultural myths

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The concept of "culture fit" is not a new one. Well before the rise of various models and frameworks to evaluate organizational culture, companies recognized the risk of hiring a cultural mismatch — such as the lone wolf in a company that values collaboration. New employees, especially leaders, who clashed with the culture might never be effective, and were likely to quickly depart for a friendlier environment.

As appreciation has grown for the power of culture to influence individual, team and business performance, many leaders are looking for more systematic approaches to evaluating culture, personal fit and culture impact. With this insight, they can make better decisions about hiring and promoting; improve the success rate of leadership transitions; and ensure that they develop future leaders who are able to positively influence culture. This is one of the reasons why we at Spencer Stuart are passionate about the important role culture plays when evaluating and addressing challenges at the individual, team or organizational levels.

Culture analysis is, therefore, a critical action for a company to take — and a complex one, as well. The Spencer Stuart culture approach is based on the insight that an organization's culture is defined by where it falls on two dimensions: how the organization responds to change and how it views people. Organizations can range from highly individualistic to highly interdependent, placing greater value either on autonomy and individual action or on collaboration. Similarly, an organization can be more or less open to change — focused on maintaining consistency and predictability at one end of the spectrum or emphasizing flexibility and creativity at the other. We use this framework, which includes eight distinct cultural styles, to evaluate organizational culture and understand how an individual executive is likely to align with — and shape — that culture.

Culture can feel elusive for companies. Absent a methodology or common language for evaluating their current culture and defining an aspirational culture, organizations can fall victim to a few common culture myths. This can make it harder to select the right people or equip hires with the guidance and support they need to succeed in a new context. According to our research, a lack of culture fit (rather than lack of skills or experience) is responsible for 68 percent of newly hired executives failing within their first year.

Here are the three most common myths:

Myth #1: Someone "like me" will be a good fit

When considering candidates for a role, a common pitfall is confusing likeability or "sameness" with culture fit. In the absence of a framework for assessing how a person aligns with the culture, it can be tempting for interviewers to rely on considerations such as whether candidates share their interests or backgrounds. A manifestation of this is the so-called "airport test": Could I pass hours stranded in an airport with this person?

On its face, the idea of personally liking a new hire to a team seems logical; leaders want to interact with people who are going to make their jobs easier — or less onerous, at least. But likeability and personal interests are not the same as culture style.

Assessing culture fit and impact requires a deeper look at the person's style and how it compares with the current organizational or team culture. It's essential to evaluate the fit relative to where the culture stands, as well as where it should be in order to achieve the intended strategic and operational plans. Does the individual prefer highly stable environments, or does he thrive in more flexible and open environments? Is the leader collaborative, or does she prefer to work independently? Without assessing these factors, a company can end up saddled with an affable leader who simply isn't up to the job. Or worse, the new hire doesn't fit in with the company's culture despite the hiring team's personal affinity for the leader.

Seeking like-minded individuals can also lead to homogeneity, which affects culture — and even performance. In a study by Northwestern University's Kellogg School of Management[1], diverse groups outperformed like-minded groups because diversity triggered more careful information analysis of the issues. "Generally speaking, people would prefer to spend time with others who agree with them rather than disagree with them," said researcher Katherine Phillips, now senior vice dean at Columbia University. But a breadth of perspectives brings "more cognitive processing and more exchange of information," she said.

[1]Liljenquist, Katie A.; Neale, Margaret A.; and Phillips, Katherine W. "Better Decisions Through Diversity." *Kellogg Insight*. October 1, 2010.

Organizations undergoing change will want to hire or promote leaders who will draw the best out of the current culture while aligning with future aspirations. A company seeking to transform itself digitally, for instance, must take pains to ensure a new leader is capable of driving change but is also able to read and respect the company's current culture in order to devise a differentiated change plan. Ensuring this level of alignment is a complex process that unstructured conversations alone won't address — instead, it requires a deep understanding of current and future culture (with all its positive and potentially negative aspects), based on finely tuned tools to assess the degree to which individuals fit with the target culture.

Myth #2: We know a candidate's style because we know the work history

Certain companies — and business units — have a reputation for being hard-driving or collaborative or hierarchical, while others are associated with attributes like creativity or analytical rigor. It's tempting to conflate these attributes and assume that all individuals who work at these companies or in these functions will have the same personal style. These assumptions can keep organizations from accurately assessing how individuals might fit with the current or target culture when hiring or moving them into new roles, or exploring other skills that could be harvested or utilized.
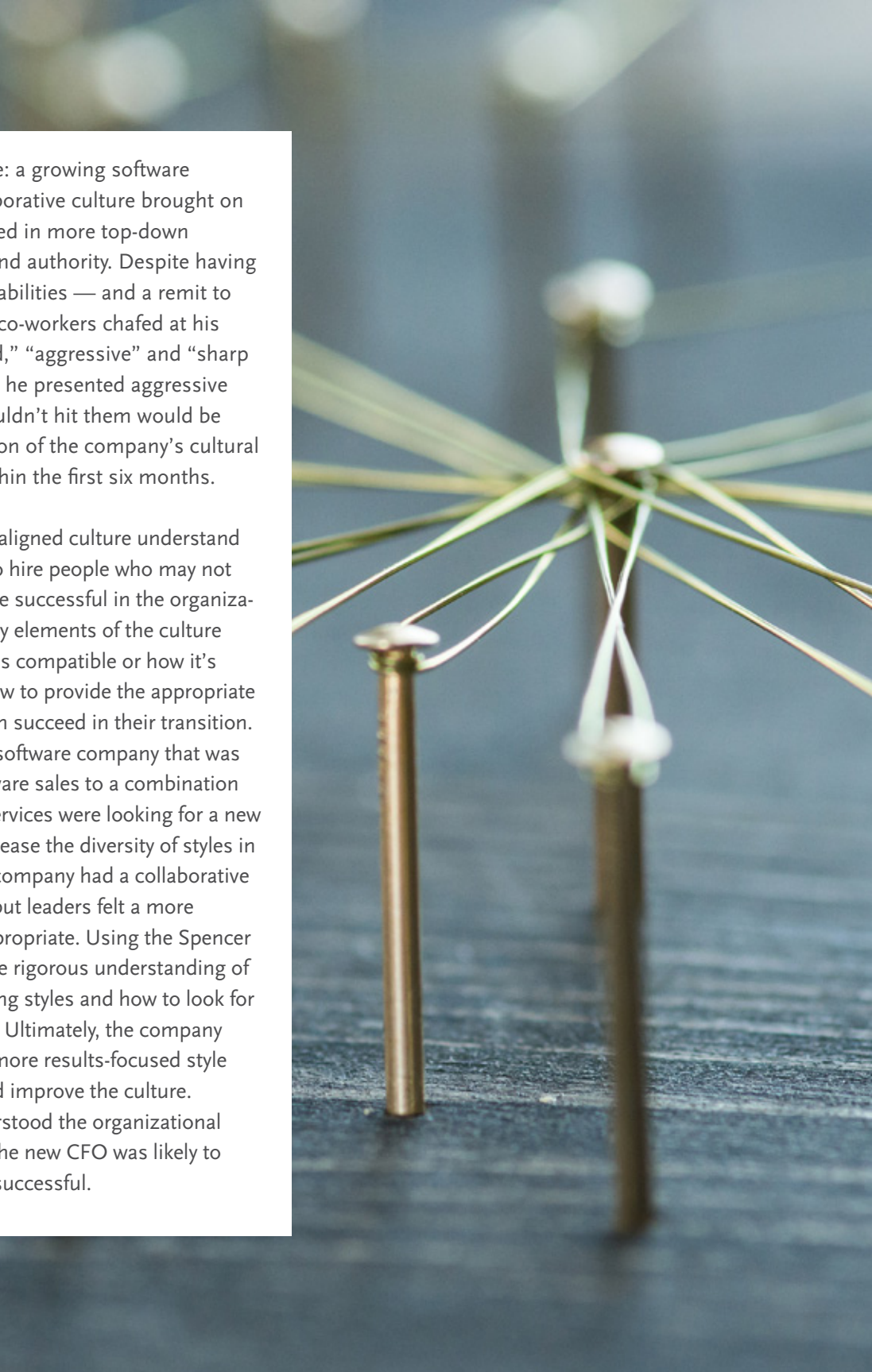
"There can be a sense that an individual's culture preferences are hardwired by their current organizational culture and they can't adapt to a new organization," one leader told us. "So someone from GE will be hardwired to drive results, for instance. It's easy to think, 'That's who they are, and that's how they'll always be.'" Similarly, she noted, a candidate with a great deal of technical experience might be seen as myopic and "not viewed as a change agent because they can't look end-to-end across the organization, when that might simply not be true."

It's important to separate what truly motivates and drives a person from how they adapted to navigate a particular culture at work. A person might exhibit a certain style in one environment in order to succeed, even if that style doesn't come naturally. Having a more nuanced and data-based view of candidates opens up more possibilities, allowing companies to make better decisions and support the leaders they hire, as well as provide input on which natural qualities they could tap into to drive performance or change.

Myth #3: A new leader will change everything

When a company wants to transform its culture, it's only logical to believe a new leader will help achieve this goal. But for companies without a clear and explicit understanding of their culture, bringing in a new leader to drive change can be like "tapping in the dark."

Some companies, for example, try to take a "shortcut" to evolving culture by bringing in someone from a radically different organization that represents the direction key stakeholders have in mind — such as a company eager to achieve a digital transformation hiring an executive from Google or Amazon. Rather than taking the longer, and more difficult, path of in-depth analysis and gradual change of their business model and processes, the hope is to reinvent the company in one fell swoop with one person singlehandedly leading the way. Unfortunately, a quick fix is rarely an effective one, and the prevailing culture almost always wins when there is a mismatch.

Consider this recent example: a growing software company with a highly collaborative culture brought on a new sales leader who thrived in more top-down cultures that valued power and authority. Despite having the right experience and capabilities — and a remit to spur fast growth — his new co-workers chafed at his style, finding him to be "bold," "aggressive" and "sharp elbowed." In his first month, he presented aggressive targets and said whoever couldn't hit them would be fired. This was such a violation of the company's cultural norms that he was let go within the first six months.
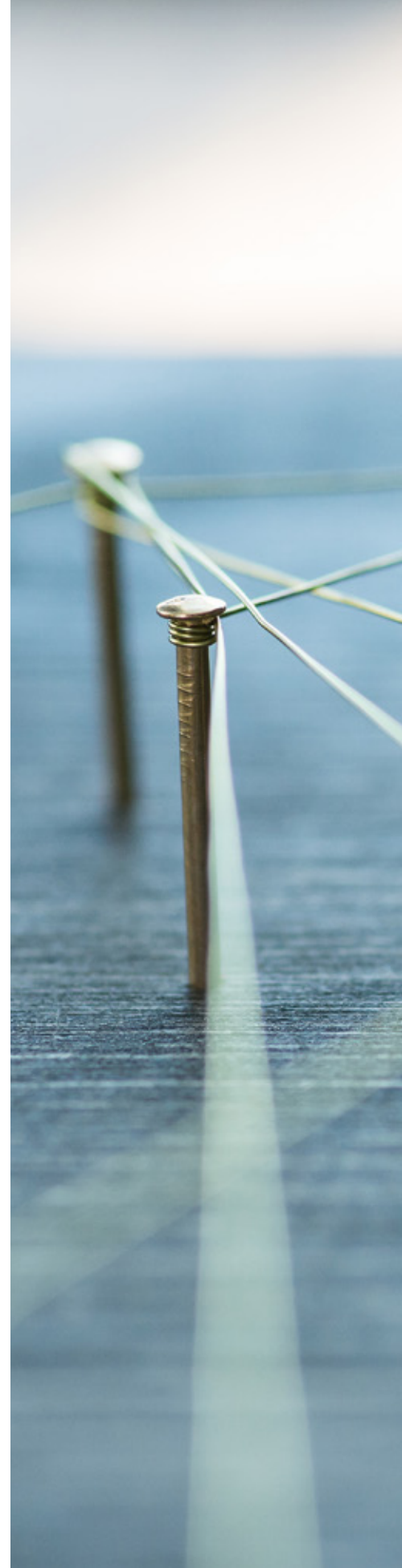
By contrast, leaders in a well-aligned culture understand that they have the flexibility to hire people who may not be a perfect match, but can be successful in the organization if they understand the key elements of the culture and how their personal style is compatible or how it's not. They also understand how to provide the appropriate support for hires to help them succeed in their transition. For instance, executives of a software company that was transitioning from pure software sales to a combination of software and consulting services were looking for a new CFO, and they wanted to increase the diversity of styles in the management team. The company had a collaborative and purpose-driven culture, but leaders felt a more aggressive style would be appropriate. Using the Spencer Stuart model provided a more rigorous understanding of the compatible and contrasting styles and how to look for those qualities in candidates. Ultimately, the company selected an executive with a more results-focused style who could help challenge and improve the culture. Because the executives understood the organizational culture and how the style of the new CFO was likely to be different, the pairing was successful.

Conclusion

Organizations that analyze, understand and emphasize their own culture are better equipped to hire or promote leaders who align or add to their current culture, as well as help define and deliver a new aspirational culture. By taking a thoughtful, data-based view of where the culture is today and where the culture should be to support the business strategy, companies can more accurately assess how individual leaders impact and fit with the team or organizational culture — an important input when hiring, promoting, planning for succession and transitioning new leaders. The positive effects carry over beyond these immediate leadership decisions; when organizations understand their culture, they can create a diverse, aligned workplace that unleashes the full potential of the organization. Without thoroughly evaluating their culture, though, organizations can make assumptions about culture fit that can lead to hiring failures and bumpy transitions. By ensuring they have a clear-eyed vision of their culture, organizations can ensure they will find people who will give them the likeliest odds of success in the future.

Authors

Alexander Hiller (London), and Jesse Price (New York)

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