Expanding Views on Leaders and Culture

Why More Organizations Are Assessing
for Culture Adaptability

POINT *of* VIEW

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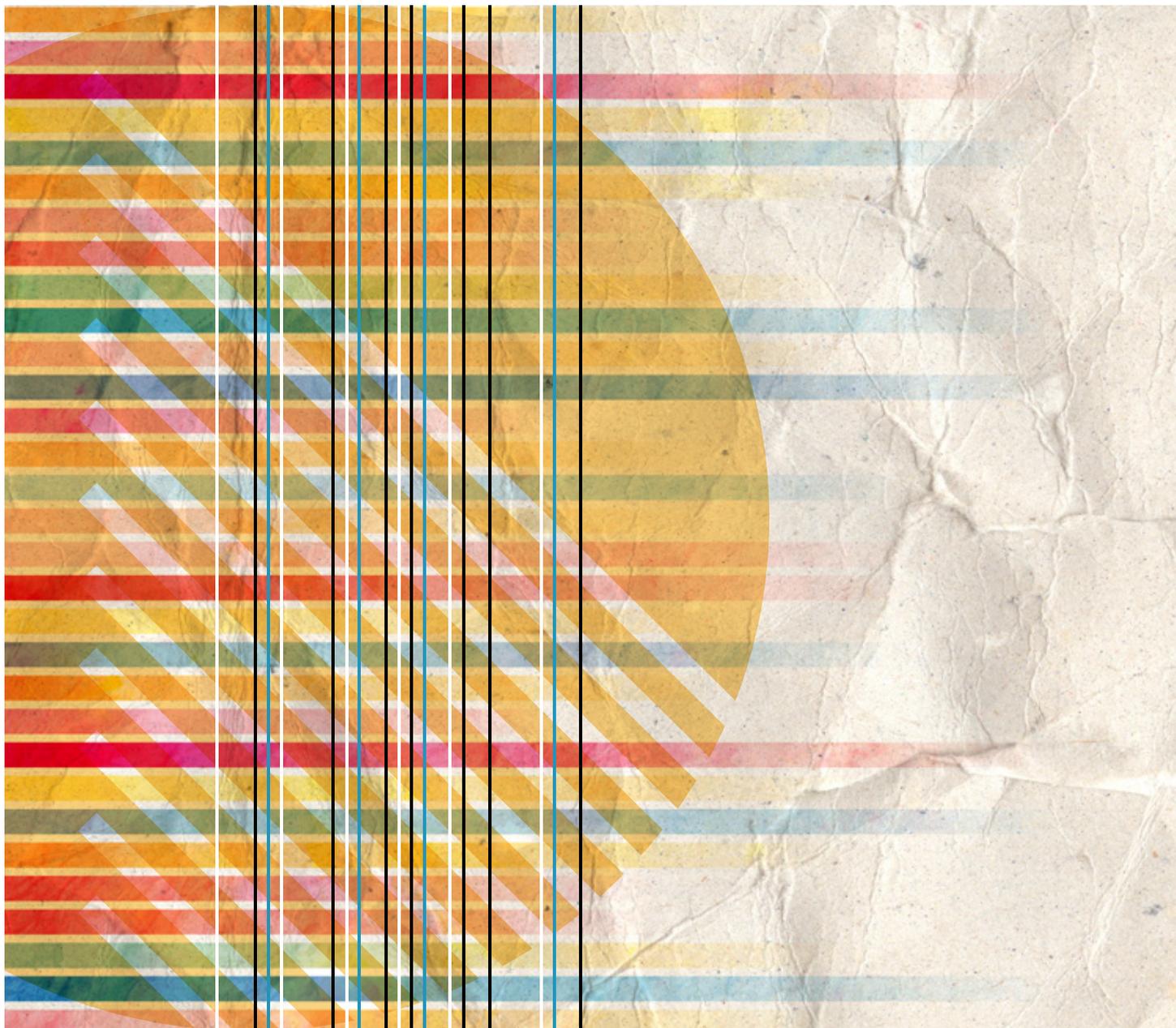
F or a long time, most organizations prioritized hard skills and proven experience when evaluating executives for senior-leadership roles. They looked for smart people with the right track record, with little concern about individuals' leadership styles or their impact on others. The assumption was that leaders would figure out the "soft stuff" in time.

Thinking about the right "talent equation" evolved as it became increasingly clear — and research affirmed — that capabilities alone can't predict whether someone can be successful in a position or organization. Attitude, motivations and leadership style are just as critical, if not more so, to how a person performs in a role. Recognizing this, organizations began to focus on culture fit and how individuals might relate to the culture and interact with others.

A new wave of research aided by novel "big data" approaches suggests that organizations should adopt an additional lens when assessing individuals for key roles: culture adaptability — how well a person can recognize culture traits and adapt to a style that's different from their own.

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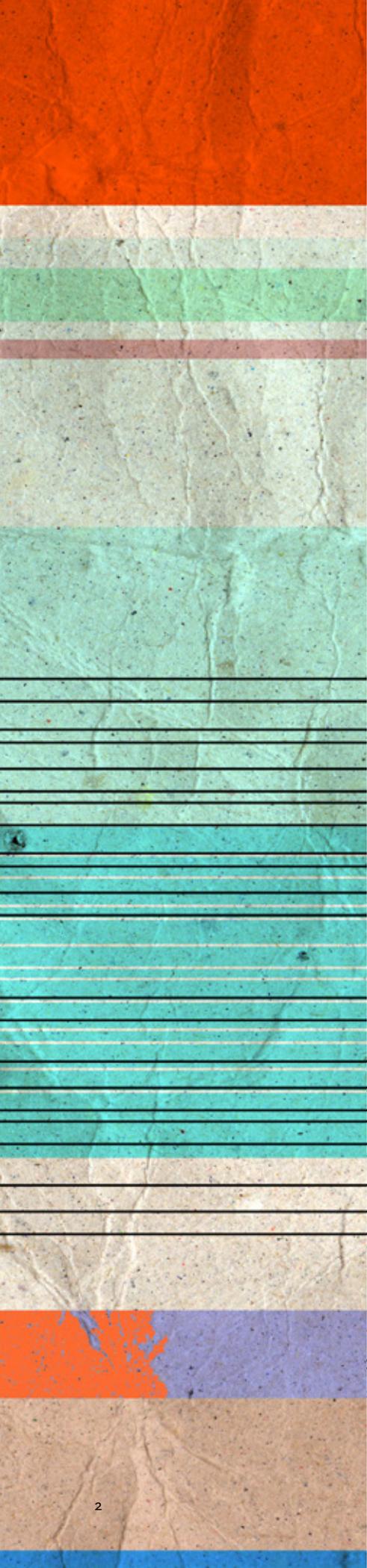
Why culture adaptability? The limits of culture fit and the need for more diversity

Interest in culture adaptability has increased as more organizations prioritize culture change and recognition grows about the risks of too little team and cultural diversity.

Because of the rapid pace of change in the business environment, it's often the case that business leaders want to evolve their culture in some way, typically to a culture that is more future-focused and strategically aligned. In our work with clients, it is very rare to come across a client who says, "We have exactly the culture we want and don't want to change it." In fact, looking across 400 companies whose culture we have assessed, 95 percent of organizations showed a preference for a more flexible culture than they have today.

In these cases, finding leaders who fit the current culture is not the goal. Evolving the culture requires having leaders in key roles who explicitly don't fit the current culture, but more closely align with the culture the organization is trying to foster. A company undergoing a digital transformation for example, may want a change agent who can model a more inquisitive, adaptive, bold and action-oriented culture. Other organizations simply see value in increasing the diversity of styles — "culture adds" — who can reduce the amount of sameness and groupthink — which in turn has benefits to innovation and complex problem-solving.

The concept of "culture fit" itself has taken on more ominous undertones for some because of the way fit has been defined in many assessment approaches. In their push to assess for culture fit, some organizations defaulted to evaluating individuals in terms of the similarities in their backgrounds or interests to others on the team — does the person play golf, come from the same Ivy League school or have mutual friends, for example — which research has shown does little to get at real culture fit and reinforces biases in the hiring process.

But the studies also suggest that overemphasizing culture fit — as opposed to culture adaptability — could cost organizations some of their most effective leaders.

A new body of culture research

Even when assessments of culture alignment are research grounded and avoid those measures of "sameness" that reduce diversity, there is growing recognition of the value of culture adaptability, fueled in part by the rise of new techniques for researching culture. These include tools to analyze language use in emails or comments on online job boards or company ratings found on sites such as Glassdoor.com.

Researchers at the Stanford Graduate School of Business and Berkeley Haas School of Business, University of California created an algorithm to examine the language used in company emails as a way to study culture and culture fit. The study[1] evaluated the emails between 600 full-time employees of a mid-sized technology company — more than 10 million in all — sent between 2009 and 2014. Researchers analyzed 64 categories of language style, including curses, expressions of positive emotion and the use of concrete imagery. They also looked at how many employees left the company, both voluntarily and involuntarily.

This research showed that culture fit does produce meaningful outcomes. One benefit of fitting the culture is that people who more closely fit the culture tend to move into management positions more quickly. Meanwhile, people who didn't fit the culture of the organization were more likely to be fired. But the studies also suggest that overemphasizing culture fit — as opposed to culture adaptability — could cost organizations some of their most effective leaders. Researchers found that the people with the best chance of success didn't fit the culture perfectly but were more adaptable; they picked up on culture differences and adjusted their leadership approach intentionally to better align with a group dynamic.

1   "Look Beyond "Culture Fit" When Hiring." Insights by Stanford Business. Walsh, Dylan. February 1, 2018.
   https://www.gsb.stanford.edu/insights/look-beyond-culture-fit-when-hiring

How can organizations begin assessing for culture adaptability?

The emerging insight about the role of culture adaptability in individual success within an organization has important implications for hiring and promoting. There are a number of ways to assess for culture adaptability.

Career track record. One sign that a person is more culturally adaptive is a demonstrated willingness to engage in and adapt to new environments and new work challenges, for example, taking jobs in different countries, industries or company functions. Jobs in vastly different environments test individuals' ability to broaden their way of thinking and learn from different people and new ways of working.

Capabilities. Proven leadership experience in managing organizational change in complex environments is another strong indicator of culture adaptability. This can be assessed through behavioral interviewing methods and by asking current and former team members how a leader adjusted their approach to changing situations.
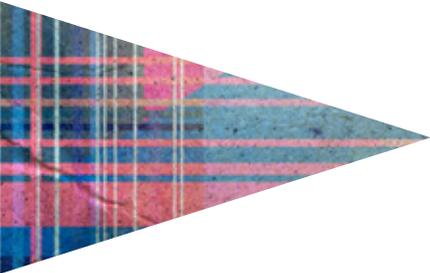
Personal style preferences. Assessment tools that illuminate personal style preferences, such as Spencer Stuart's Individual Style Profile, also can signal greater culture adaptability. Leaders who are more flexible and comfortable with change — people who thrive in learning-oriented, enjoyment-seeking or purpose-driven organizations — are more likely able to have adapted their personal strengths to be different from their natural drives.

Reference checking. Seeking references from people who have worked with the leader also can provide clues about the person's own style and how they interact with others with different styles. Do others recognize their adaptability? Do they have examples when the leader adapted to another person's very different style?
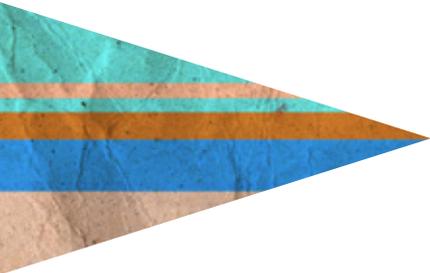
Measures of intellectual agility and social intelligence. Measures of social intelligence, learning intelligence and intellectual agility can identify individuals who have high degrees of self-awareness and ability to recognize and navigate complex social environments. These traits are stronger in people who are more culturally adaptable.
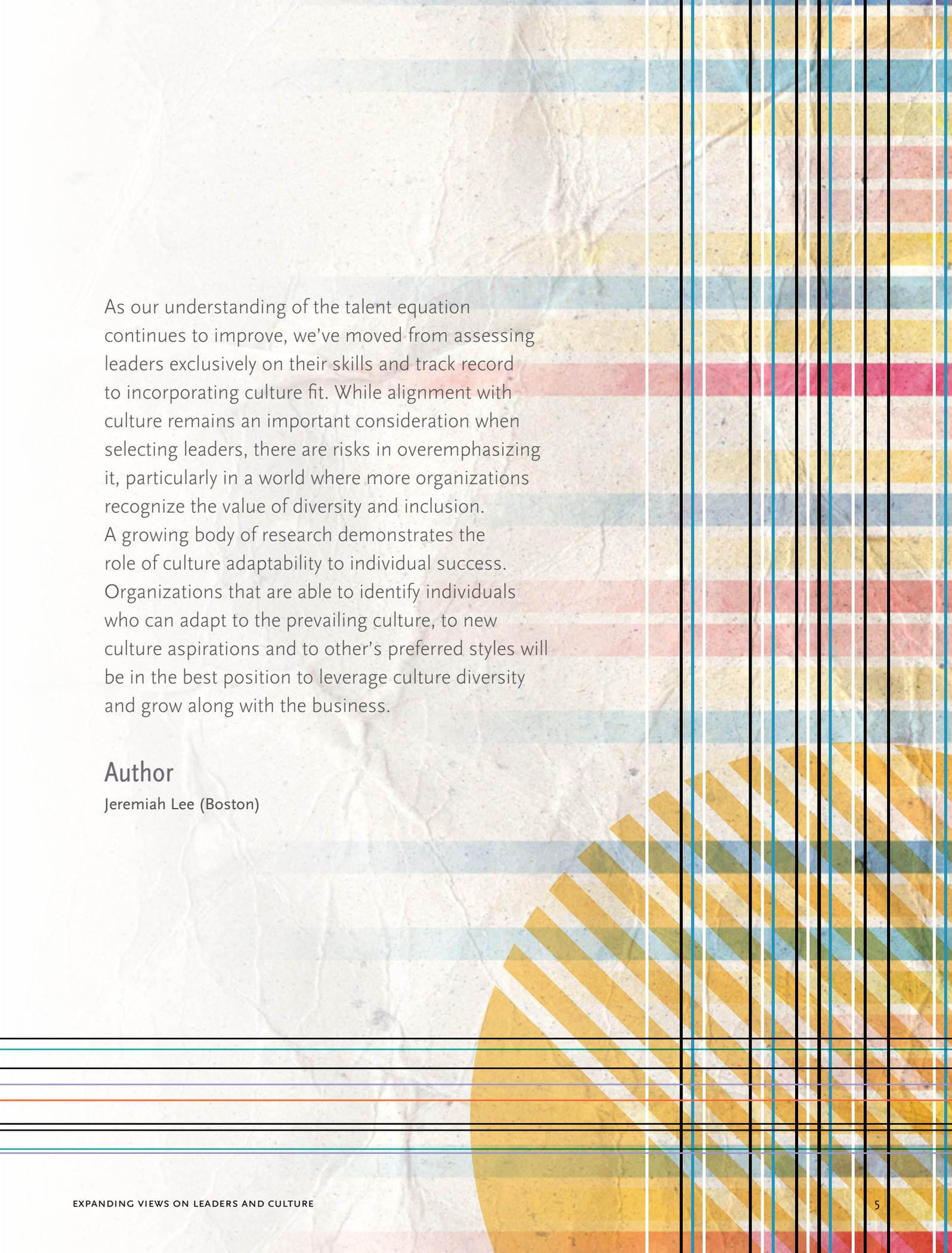
As our understanding of the talent equation continues to improve, we've moved from assessing leaders exclusively on their skills and track record to incorporating culture fit. While alignment with culture remains an important consideration when selecting leaders, there are risks in overemphasizing it, particularly in a world where more organizations recognize the value of diversity and inclusion. A growing body of research demonstrates the role of culture adaptability to individual success. Organizations that are able to identify individuals who can adapt to the prevailing culture, to new culture aspirations and to other's preferred styles will be in the best position to leverage culture diversity and grow along with the business.

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