



# Improving your **ORGANIZATIONAL CULTURE** through concrete, actionable intelligence.

## **CULTURE SHIFTS**

Academic literature has no shortage of research on organizational culture, from explanatory to testing specific relationships to testing theoretical models or presenting new, untested models. In our conversations with clients, we observe different leadership styles, but the most growth-oriented organizations are those whose observed leadership styles are consistent with transformational leadership characterized by Bass (1985).

The central tenets of transformational leadership are to inspire followers through trust and respect by empowerment, idealized influence, intellectual stimulation, and considerations for individuals on the team (Bass, 1985). This drives efficiency, motivation, performance, loyalty, trust, and respect. Organizations should continue to embrace and develop the transformational leadership style to cultivate a culture based on creativity, innovation, problem-solving, learning, and client service.

# GROUNDING WITH DATA

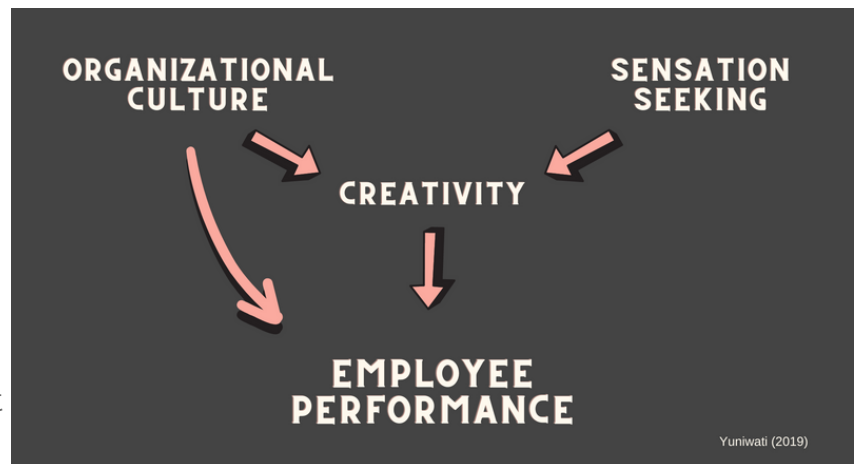
## ORGANIZATIONAL CULTURE WHITE PAPER

### ORGANIZATIONAL CULTURE

Sensation seeking is a personality trait defined by the search for experiences and feelings, that are "varied, novel, complex and intense", and by the readiness to "take physical, social, legal, and financial risks for the sake of such experiences" (Masson and Zuckerman, 2019 & 2009, respectively). Sensation seekers are also associated with heightened creativity. You can either hire a lot of Sensation Seekers to help spark creativity and increase employee performance in your business (which is a little risky), or you can focus on how to improve your organizational culture.

Yuniwati (2019) found that

- 1) Organizational Culture has a significant effect on Employee Performance,
- 2) Sensation Seeking (e.g., sophisticated social cognitive mechanisms to make sensation seeking the basis for functional learning) has a significant effect on Employee Performance,
- 3) Organizational Culture has a significant effect on creativity,
- 4) Sensation Seeking has a significant effect on creativity,
- 5) Creativity has a significant effect on Employee Performance.



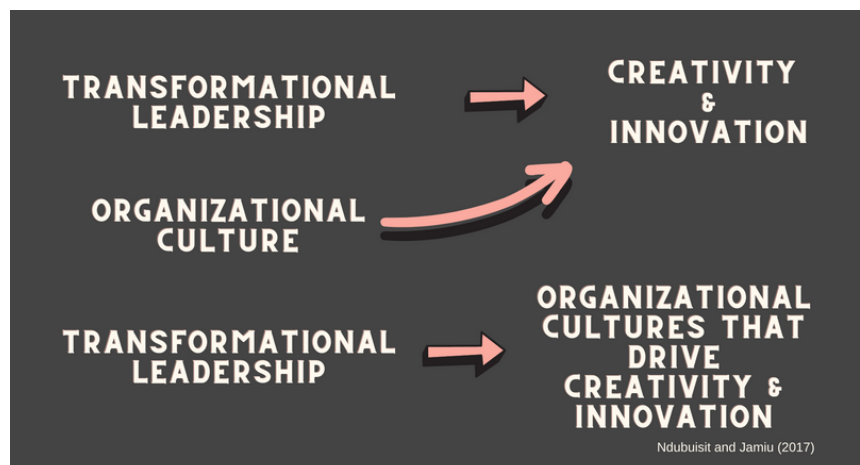
According to Song, Gu, and Wang (2019), three Human Resource Management [HRM] practices significantly improve creativity and innovation; namely,

- 1) Creative skill-enhancing practices,
- 2) Intrinsic motivation-enhancing practices, and
- 3) Empowerment-enhancing practices.

### ORGANIZATIONAL CULTURE AND CREATIVITY AND INNOVATION:

Ndubuisit and Jamiu (2017) found that

- Transformational leadership is significantly correlated with creativity and innovation;
- Organizational culture is significantly correlated with creativity and innovation;
- Transformational leadership is significantly correlated with an organizational culture that drives creativity and innovation.



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ORGANIZATIONAL CULTURES CAN DRIVE  
CREATIVITY & INNOVATION

Cristian - Liviu Vele (2016) discusses the relationship between transformational leadership and creativity, arguing that leaders should provide team members with the freedom and space to put their creative practices into place. Lindsey (2016) suggests that to foster creativity and innovation, an organization should use Kouzes and Posner's five practices of exemplary leadership; specifically,

- 1) Model the way,
- 2) Inspire a shared vision,
- 3) Challenge the process,
- 4) Enable others to act, and
- 5) Encourage the heart (Kouzes & Posner, 2011).

According to Taha, Sirková, and Ferencová (2016), the strongest association between employee creativity and innovation is the feelings of psychological safety.

## CLIENT SERVICE CULTURE

Hansen (2018) offers three suggestions for creating a client service culture:

- 1) Make the Customer Experience Easy and Enjoyable,
- 2) Always Strive to Be Better, and
- 3) Acknowledge, Fix and Eradicate Mistakes.

## ERROR MANAGEMENT

Wang, Guchait, Madera, and Pasamehmetoğlu (2018) discuss error management as a motivation tool finding:

- 1) An error management culture has a significant positive influence on manager trust and group efficacy,
- 2) Manager trust and group efficacy mediates the relationship between error management culture and employee creativity, and
- 3) Manager trust and group efficacy were found to mediate the relationship between error management culture and employees' organizational commitment.

Changing the organizational culture can be an extremely challenging task. It requires a clear strategic vision, reinforcement of new values, and reshuffling the power-reward system to fit the new strategy (Brown, 2010).

For example, an organization may have a positive culture based on transformational leadership but should continue developing that culture by reinforcing positive behaviors and empowering team members to be creative and innovative, client-orientated, and embrace learning from mistakes (as long as they are original).

## OUR PHILOSOPHIES ABOUT ORGANIZATIONAL CULTURE

Cross-train people who exist within the critical path.

Craft opportunities for more meaningful contacts with clients.

Everyone should have a client, even if they do not touch external clients. Internal clients are clients, too.

What gets measured gets managed. What gets rewarded gets repeated. Reward for excellent measurements.

It is ok to make a mistake; just make it original.

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