

Leaders may create ineffective cultures because they are stuck in the past, study shows

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Where does culture come from? This basic question is one of the toughest for both researchers and practitioners to answer because culture is deeply entrenched in people's minds and taken for granted.

To date, researchers have proposed a functional view of [culture](#)—that culture is a response to the current needs within and outside a group, and thus the created culture enables the group to maintain high performance.

New research from the University of Toronto shows another cause of culture—a leader's past experience. The culture a leader experienced in the past shapes the culture of the group they go on to lead. As a result, the created culture may have little to do with [group performance](#) because culture is driven by the leader's past experience.

Yeun Joon Kim, a doctoral candidate at the University of Toronto's Rotman School of Management wrote the paper with Soo Min Toh, an associate professor of organizational behaviour at the University of Toronto Mississauga (UTM) with a cross appointment to the Rotman School, who is also Director of the Institute for Management & Innovation at UTM. They studied newly-formed sales groups at a manufacturing start-up as well as groups created in a behavioral laboratory. Leaders in both cases were new to the groups they joined.

The result showed that the new leaders created their groups' cultures

based on their past cultural experience acquired in their former groups. The researchers termed this finding the cultural transfer perspective. That is, the new leaders tended to transfer the same cultures from their former groups to their current groups. Due to this tendency among the new leaders, the created cultures do not guarantee their effectiveness in enhancing group performance.

While leaders should create their cultures based on analysis of their actual circumstances, most are too busy to do that and fall back on familiar, old approaches, said Mr. Kim.

"Many companies talk about building effective cultures. But our research shows that leaders rely too much on their past experience. They believe that their past experience will continue to provide effective solutions in a new situation," said Mr. Kim. "So what we need to do is to disconnect them from their belief. They should be aware that their past experience in their former groups could actually be a liability in this new situation. To create effective cultures, leaders should look at the current situation, not the past."

The paper is forthcoming in *Academy of Management Journal*.

Provided by University of Toronto

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