

## The Canadian Leadership Culture Study

By Jukka Sappinen and Markku Kauppinen

Worldwide effective leadership is almost always cited as one of the key factors in determining the success of organizations. How leadership is defined seems to vary more often. However, one thing is clear. Successful organizations do not only have the effective leaders at the very top. They have leaders throughout the organization and demonstrate a strong commitment to developing the leaders of the future. Their leadership culture is tangible and it makes a significant contribution to the bottom line. It impacts not only all leaders of the organization, but also the performance of every employee.

Over the past decade, Extended DISC International (EDI) has spent a considerable amount of its focus on helping organizations to bridge the gap between their business goals and human capital. Organizational and leadership culture issues have consistently been center stage when its client firms are trying to implement their strategy and achieve their financial goals. Providing specific information to the leaders of the organizations to help them make sound business decisions has always been the purpose of EDI. When the firm entered the Canadian market in 2001, measuring and understanding the leadership culture of Canada became an important priority.

After collecting a substantial amount of data about the leadership styles of the Canadian managers and conducting similar Leadership Culture Studies in Europe and Asia, EDI undertook the Canadian Leadership Culture Study in 2003. The results of the study were presented at the 2003 Canadian Society for Training and Development (CSTD) annual conference. CSTD also provided valuable support to the study by inviting its member organizations to participate in the study.

While the leadership culture may be well understood by the employees of an organization, they typically have some difficulty in clearly defining and articulating it. A leadership culture can be defined at different levels:

- National leadership culture
- The industry leadership culture
- Organizational leadership culture
- Division/department/team leadership culture

- Individual leadership culture

Clearly, all of these levels have an impact on how organizations perform. This study was aimed to measure all of these levels.

### Study Objectives

In undertaking this study, several objectives were set. The main topics to be explored were:

- Is there a typical Canadian leadership style? If so, what is it?
- Do human resources and management have different perceptions about the organizational culture?
- How should human resources and management cooperate to best support the business?
- Do the different industries have different leadership cultures?

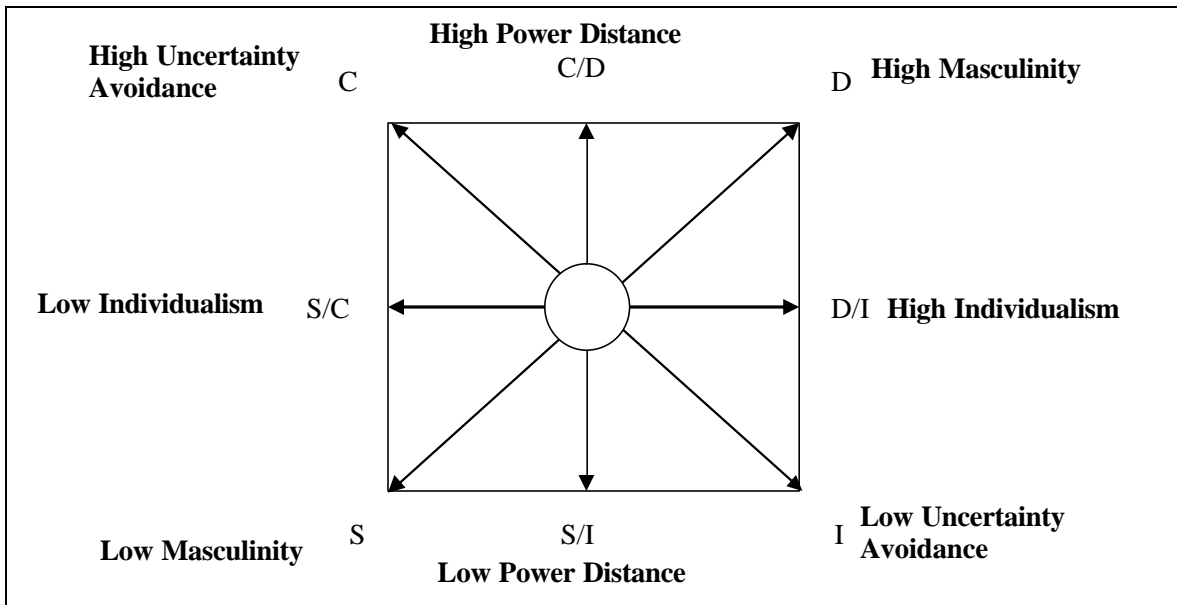
### Methodology

The study was conducted online using a two-part instrument designed to measure two main areas. The first part of the instrument focused on the industry, organizational and division/department/team leadership culture. The second part measured the individual leadership culture. The data from both parts of the instrument were used to measure the national leadership culture.

At the individual leadership culture level, EDI used the *Extended DISC Personal Analysis* instrument that is designed to measure natural behavioral style at a deeper unconscious level to minimize the impact of the environment. In practice this means that the results show who the individual actually is and not what the person thinks he/she needs to be in the existing environment. As a result, the instrument identifies the true leadership strengths and development areas. This was an important criterion as the study was designed to measure the actual leadership behaviors and not what the individual leaders felt that they were expected to exhibit.

Finally, Geert Hofstede's concepts of Masculinity, Individualism, Uncertainty Avoidance and Power Distance were applied in the study (Table 1).

**Table 1 – The Leadership Culture Study Model**



**Population**

1,086 leaders were invited to participate in the study, of which 304 completed the survey (28% response rate). Of the respondents, 31% were male, 69% female. The finance and insurance industry was represented by 31% of the respondents, followed by manufacturing (27%), information technology 17%, health care (16%) and retail and wholesale (9%).

Executive level managers were represented by 35% of the respondents. The line managers made up 19% of the sample, and the human resources managers the remaining 46%. Most of the study participants defined their area of responsibility as national (45%), followed by the local (38%) and the international markets (17%).

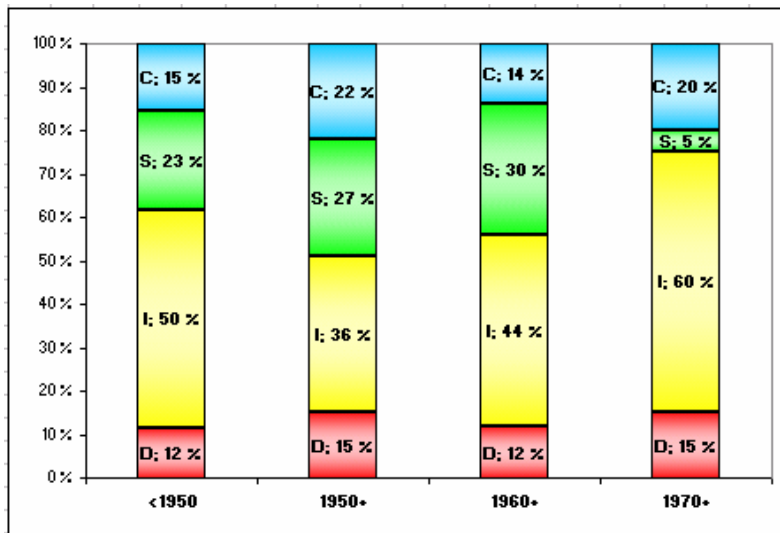
In terms of the organization size, 33% had less than 100 employees, 26% had 100-1,000 employees, 26% had 1,001-5,000 employees, and 15% had over 5,000 employees.

Finally, the population breakdown by the natural behavioral styles and by age groups is illustrated in Tables 2 and 3.

**Table 2 – Population by natural behavioral styles**

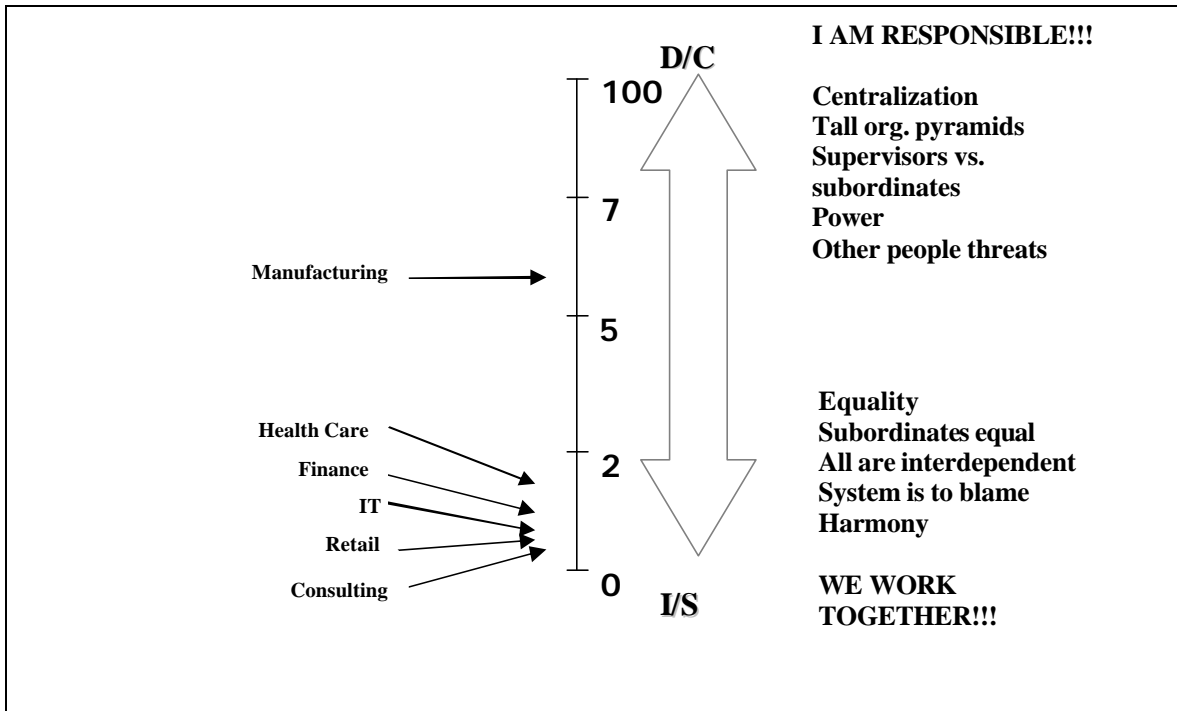
	All	Female	Male
D-style	11%	10%	12%
I-style	42%	45%	36%
S-style	27%	26%	31%
C-style	19%	19%	20%

**Table 3 – Population by age group (year of birth)**

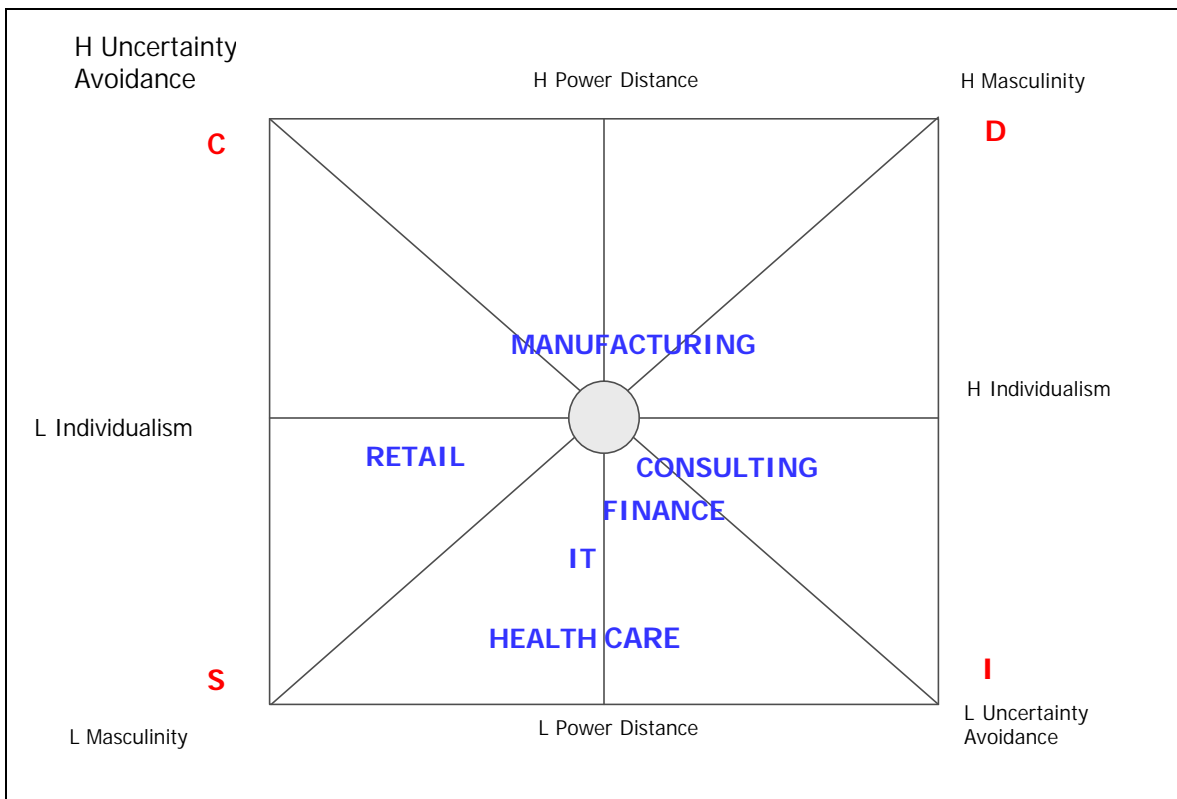


**The industry leadership culture**

The results were first analyzed by the different industry groups. The results clearly indicate that with the exception of manufacturing, all of the industries are quite people-oriented. Even manufacturing is barely on the top half of the model (task-orientation).

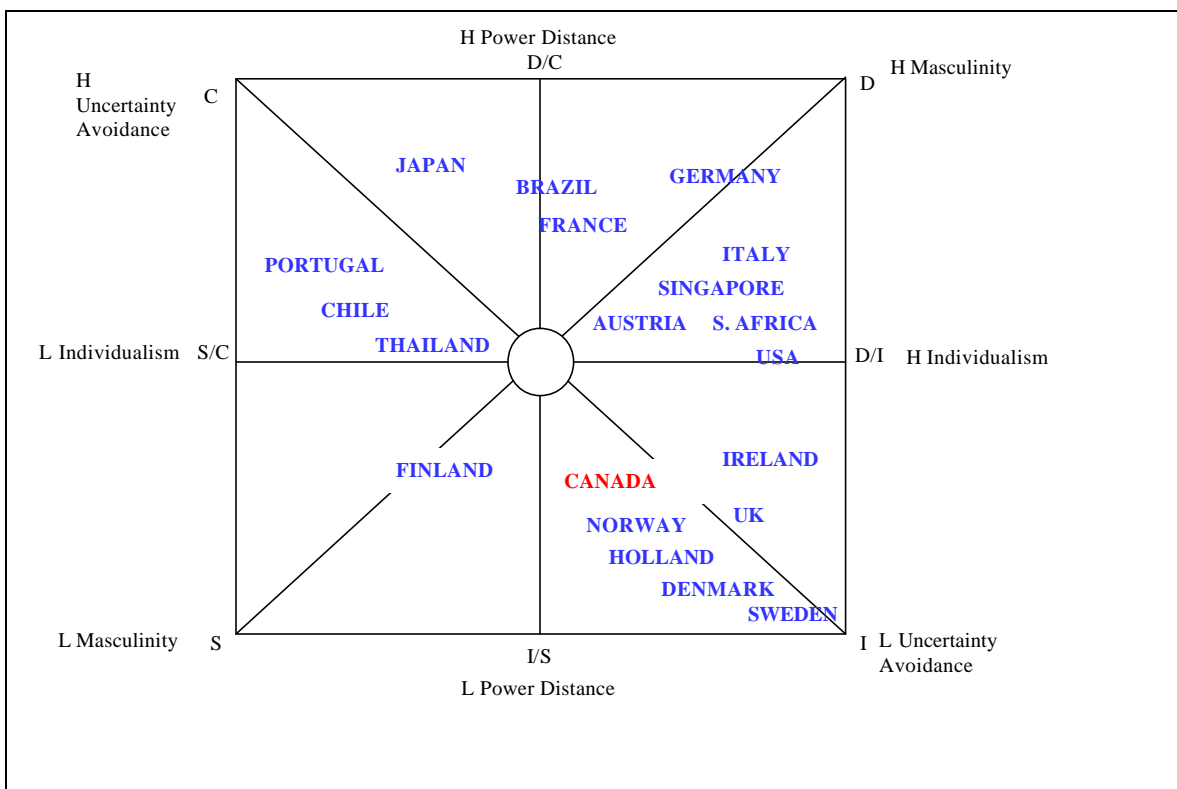


Health care was clearly the most people-oriented industry. This may be partially due to the labor shortages experienced at the time that resulted in the health care industry being particularly open and accepting.



**The national leadership culture**

The results of the study reveal that the overall leadership culture in Canada is quite people-focused. When compared to many of the other countries, Canada's leadership culture is on the average more open, active, cooperative, people-oriented, and communicating across organizational levels. Around the world, Canada's leadership culture is not unique. Countries such as Norway, United Kingdom and Ireland have quite similar leadership cultures. On the other hand, Japan, Brazil and Germany are clearly very different and their cultures are probably more challenging for the Canadian leaders.



When the natural behavioral styles of the managers were compared to the geographic areas of responsibility, the study revealed interesting findings. As the focus shifted from the local to domestic and international arenas, the managers were more task than people oriented. However, probably the most interesting finding was that when compared to expatriate populations from other countries, the overall leadership culture of Canada had a very significant impact on the results.

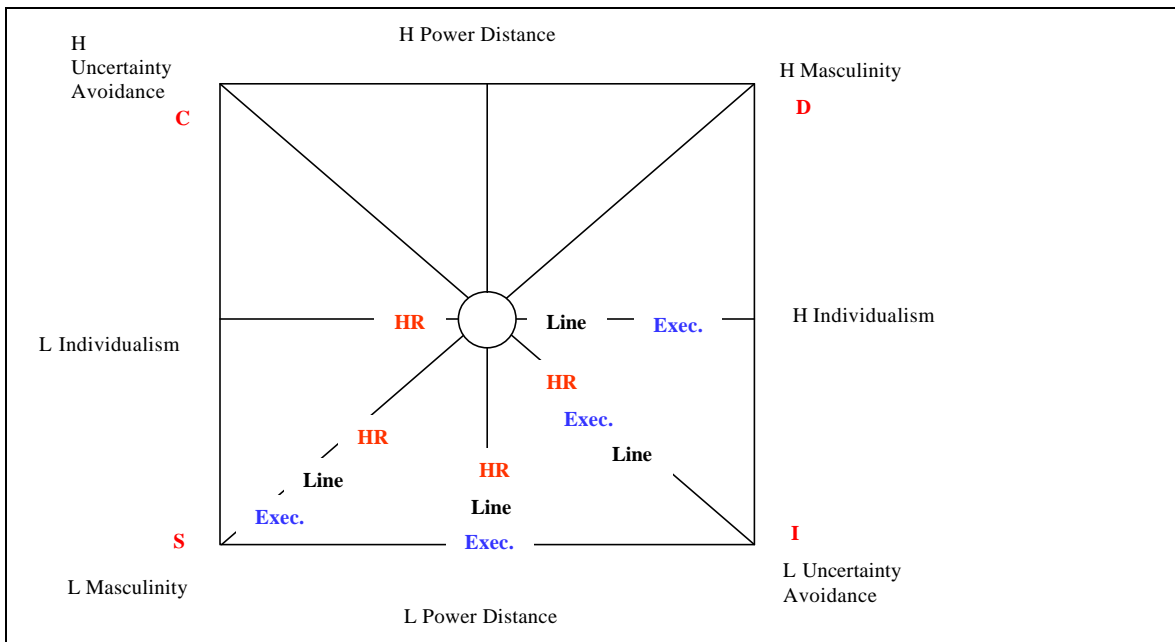
**Table 4 – Natural behavior style and the geographic area of responsibility.**

	Local	Canada	Int.	Expats
<b>D-style</b>	3%	17%	18%	41%
<b>I-style</b>	43%	43%	38%	19%
<b>S-style</b>	34%	23%	23%	15%
<b>C-style</b>	20%	18%	23%	26%

These results raise two important questions:

- Is the Canadian leadership culture too “soft” to compete with “tougher” international markets?
- What is the selection and training process of the Canadian expatriate managers?

Finally, using Hofstede’s concepts of Masculinity, Individualism, Uncertainty Avoidance and Power Distance, the study compared how the executive, line and human resource managers perceived their organization’s leadership culture.



The results indicated that the executive and line management perceive that the culture is communicative, equal, permissive and individualistic. Meanwhile, the human resource managers clearly perceived the culture as more internally competitive, managed by facts

and figures, and conventional. This was probably due to the fact that the executive and line management population had a slightly more significant percentage of D-styles, and that the human resource in turn a slightly more significant percentage of S-styles.

**Table 5 – Natural behavioral styles of managers**

	<b>HR</b>	<b>Line</b>	<b>Exec.</b>
D-style	10%	8%	18%
I-style	42%	49%	39%
S-style	29%	15%	26%
C-style	19%	28%	17%

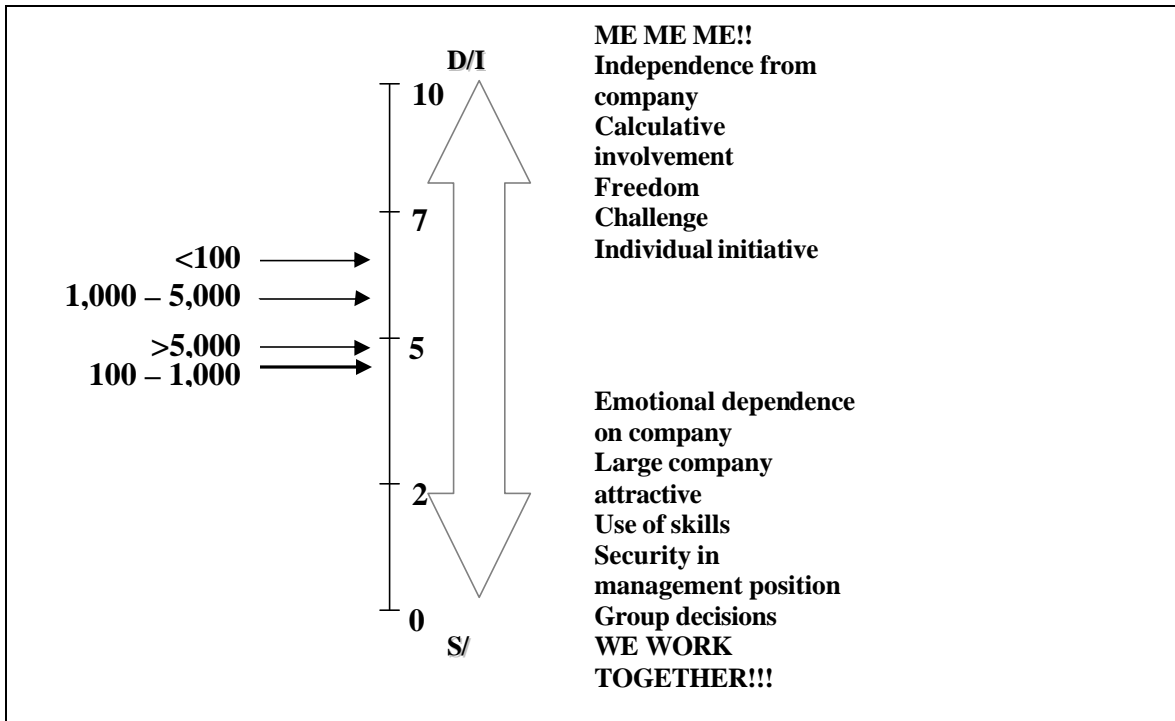
The results raise some important questions:

- Does management believe its leadership style is more people-oriented, open and encouraging than it actually is?
- How reliable is the feedback that management actually gets from the organization?
- Why does the management try to develop a culture that is more equal, open and communicative?

**The Leadership Culture and the Organization Size**

Probably one of the most surprising findings of this study was the impact of the organization’s size on the Leadership culture. The results clearly demonstrated that in the larger the organization employees are given more freedom and are required to show more independence. Conversely, in the smaller organizations, employees perceived that they are more controlled and are allowed less risk taking.





**Immediate Conclusions**

The results of this study clearly demonstrate that there is a Canadian leadership style. The Canadian leadership culture is on the average more open, active, people-oriented, and communicating across organizational levels and is more cooperative than many of the other countries. The study also revealed that when compared to many of their international colleagues, the Canadian leaders are less dominant in their leadership behavior.

The results also could mean that the Canadian leaders may be too satisfied with the current state of affairs. This is an important point to consider, especially when it comes to the performance issues. Canada clearly appears to be more accepting of other cultures than many other countries. This is, of course, very positive. However, when this is combined with a high people- and low task-oriented leadership culture, it could raise concern about how accepting some leaders may be of sub-par performance. More research in this area is needed.

**Jukka Sappinen** is the principal developer of the *Extended DISC<sup>®</sup>* System and the President of Extended DISC International. He has over 15 years of experience in research development in the area of human and organizational assessment and measurement tools. Mr. Sappinen has a Ms.C. (International Business) degree from Helsinki School of Economics and Business Administration. He has served at the Helsinki

School of Economics and Business Administration as a lecturer and a research fellow in International Business, and has published several articles.

**Markku Kauppinen** is the President of Extended DISC North America, Inc. The company introduced the *Extended DISC<sup>o</sup>* System to North America in 1997. Markku is recognized as the foremost authority in *Extended DISC<sup>o</sup>* assessments in North America. He is involved in the education of *Extended DISC<sup>o</sup>* users and he has worked with clients in the US, Canada, Europe, Asia and Latin America. Markku also plays an active role in product development by focusing on the practical applications of the assessment tools.