**The Leader’s Guide to Corporate Culture**

* [Boris Groysberg](https://hbr.org/search?term=boris%20groysberg)
* [Jeremiah Lee](https://hbr.org/search?term=jeremiah%20lee)
* [Jesse Price](https://hbr.org/search?term=jesse%20price)
* [J. Yo-Jud Cheng](https://hbr.org/search?term=j.%20yo-jud%20cheng)
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Strategy and culture are among the primary levers at top leaders’ disposal in their never-ending quest to maintain organizational viability and effectiveness. Strategy offers a formal logic for the company’s goals and orients people around them. Culture expresses goals through values and beliefs and guides activity through shared assumptions and group norms.

Strategy provides clarity and focus for collective action and decision making. It relies on plans and sets of choices to mobilize people and can often be enforced by both concrete rewards for achieving goals and consequences for failing to do so. Ideally, it also incorporates adaptive elements that can scan and analyze the external environment and sense when changes are required to maintain continuity and growth. Leadership goes hand-in-hand with strategy formation, and most leaders understand the fundamentals. Culture, however, is a more elusive lever, because much of it is anchored in unspoken behaviors, mindsets, and social patterns.

For better *and* worse, culture and leadership are inextricably linked. Founders and influential leaders often set new cultures in motion and imprint values and assumptions that persist for decades. Over time an organization’s leaders can also shape culture, through both conscious and unconscious actions (sometimes with unintended consequences). The best leaders we have observed are fully aware of the multiple cultures within which they are embedded, can sense when change is required, and can deftly influence the process.

Unfortunately, in our experience it is far more common for leaders seeking to build high-performing organizations to be confounded by culture. Indeed, many either let it go unmanaged or relegate it to the HR function, where it becomes a secondary concern for the business. They may lay out detailed, thoughtful plans for strategy and execution, but because they don’t understand culture’s power and dynamics, their plans go off the rails. As someone once said, culture eats strategy for breakfast.

It doesn’t have to be that way. Our work suggests that culture can, in fact, be managed. The first and most important step leaders can take to maximize its value and minimize its risks is to become fully aware of how it works. By integrating findings from more than 100 of the most commonly used social and behavioral models, we have identified eight styles that distinguish a culture and can be measured. (We gratefully acknowledge the rich history of cultural studies—going all the way back to the earliest explorations of human nature—on which our work builds.) Using this framework, leaders can model the impact of culture on their business and assess its alignment with strategy. We also suggest how culture can help them achieve change and build organizations that thrive in even the most trying times.