

# Values and organization

Webster's dictionary defines a value as "something (as a principle or quality) intrinsically valuable or desirable." For each of us, as human beings, values are very personal. We each have a set of them—some basic and enduring, some that have changed or evolved over our lives (and may continue to do so).

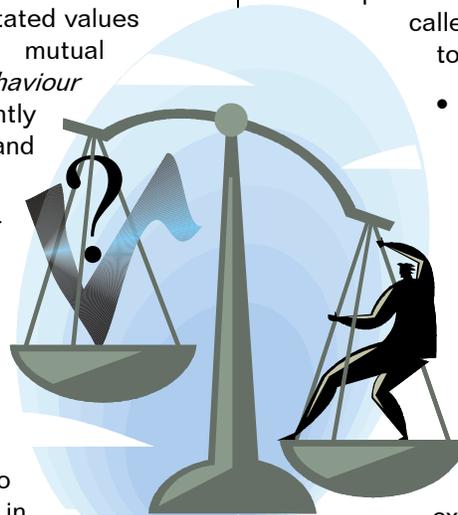
People often come together as a result of what we call *shared values*. They believe, and experience shows, that it is more rewarding to live in a community with shared values—relationships are easier to manage, and we are more likely to achieve the outcomes the group and its members deem positive or good. The reason this happens is not due to the stated values themselves (for example, mutual respect) but to the *behaviour* community members consistently exhibit toward one another, and likely others outside the group.

Membership in a community or group is partly based on individuals demonstrating a willingness to *behave* in ways that are deemed important to the group and its purpose. Failure to behave in this way can bring about consequences ranging from being spoken to about it to legal sanctions (if, as in society, certain values are translated into laws of the land). In reality, individuals cannot be forced to hold a particular value in a particular setting and, in fact, they may hold values different from other people around them. However, as a condition of membership in a group, community, or organization, people can be expected to operate to meet certain behavioural expectations (that inherently represent certain values).

## Corporate application

For commercial organizations, explicitly stating organizational values plays an important role in the following ways:

- By stating values, leaders establish one of several boundaries around their organizations that attract individuals who like the values stated, causing them to want to be part of such a system. Those same stated values enable others to select themselves out of joining such an organization, which is not necessarily a bad thing.
- Explicitly articulated values, particularly in an accountability-based company, make a statement of what the managerial leader is willing to be called to account for—by bosses, peers, and subordinates. This connects to the concept we hear of so often in organizations called, "walking the talk" (or not, as is too often the case).
- Setting out the organization's values so everyone knows and understands them enables conversation throughout the company about the "business usefulness" of having a particular set of values. Asking the questions, "What are the consequences of living these values?" and "What are the implications of our not living them?" is an extremely useful exercise. Senior leaders making statements of expected values is simply not enough for them to have real meaning. The medium of work is conversation, and conversing around the organization's values is as important as discussing the content of the organization's work. Effective senior managerial leaders encourage, even insist on, such conversations taking place right down to the front line level of their businesses.
- Identifying and discussing the organization's values allows translation into expected behaviours. Unless the values are expressed as observable, measurable behaviour, they appear elusive or meaningless. For example, saying Ken is a "really good guy" makes Ken feel great at some level but it is not fully satisfying. What Ken really wants to know is what



he does and says that qualifies him as a good guy. Which of Ken's behaviours were observed as useful to the business and led his colleagues to make this assessment?

## Values and the accountability-based organization

An effective accountability-based organization and management system is rooted in two very fundamental values, *trust* and *doing no harm*. Some will argue these are ideals. However, most people agree that implementing these values is a goal worth striving for. Setting up powerful, desirable end states such as creating a fully trust-enhanced organization can be a strong motivator to bring about positive change in the workplace and achieve better business results.

Building trust into a company simply means creating an environment in which people can count on others in the company to keep their commitments. For instance, what can I expect my manager to do consistently and well so that I can count on it? In this context, behaviour enhances trust. A further trust enhancer is clarifying what level of participation people have in decision making, from simply being informed right up to having veto power over the decisions of others. Enabling people who work within the same organization to fully understand the type of company they work in, how decisions will be made, and what role they will play in reaching particular judgments reduces incidents of conflict, increases productivity, and builds trust.

Incorporating the "do no harm" principle into the organization requires the design and operation of a management system with built-in trust expectations, where no one individual is able to harm any other, physically, financially, or psychologically. The parts that make up this management system are

- the business strategy and plans—the goals and objectives that define the work.
- the work structure—the layering and grouping of accountability and authority for getting the work done.
- employee, managerial leader, and manager-once-removed accountabilities and matching authorities—explicitly stated with supports for

carrying them out skilfully (training, coaching, feedback, etc.).

- person-job fit—individual capability for work complexity matched to level of work requirement.
- context setting and task assignment—clear "why" and "what-by-when" expectations (quantity, quality, delivery date, resources available).
- collateral team and cross-functional role relationship authorities and obligations—clarity of who is able to do what with whom across organizational boundaries, and the corrective mechanisms available in the event of breakdowns.
- performance management—performance and personal effectiveness feedback and formal appraisal.
- compensation and norms of equitable (fair) differential pay.
- talent pool development and succession planning, coupled with employee-driven career planning.
- constraints—values, policies, procedures, rules, regulations, established customs and practices.

This system is grounded in the belief that ordinary human beings hold enormous potential for equity, for honesty, for cooperation, and for constructive work. It only takes good organizational systems to release this potential. When the right managerial system is in place, trust and cooperation are assured. The aim is not to regulate the behaviour of people, but to understand and put into effect the conditions that liberate the most constructive side of human nature. To illustrate a couple of the elements of the system, let us examine the issues of constraints, performance management, and expectations.

## Values and constraints

COREinternational generally begins any discussion of values as one of the limits that exist in organizations by sharing a quote from noted psychologist, Erich Fromm, who reportedly made this comment in the late 1930s:

*"Freedom is not the absence of structure... but rather a clear structure that enables people to work within established boundaries in an autonomous and creative way."*

In other words, limits release potential energy rather than boxing it in. Managerial work involves setting appropriate limits, which includes values and associated behaviours.

The purpose of setting limits is to

- form the basis of control.
- set context for teamworking.
- achieve integration.
- avoid unnecessary energy expenditure by limiting the methods for working on a task.
- reflect the culture of the organization.

## Values and performance management

Once translated to expected behaviour, values form part of a company's performance appraisal system. Sophisticated companies understand that a particular individual's performance in a role is a function of the person's personal effectiveness and the conditions under which he or she was asked to work. The manager's role in appraisal—and what, in part, managers are paid for—is to judge direct reports' personal effectiveness, not to count their outputs. Part of this judgement is, or should be, the degree to which individuals demonstrate application of company values as they carry out their work. Writing on a performance review that "Bill acted with integrity" is not enough; the manager needs to provide explicit statements of what it was Bill did that showed integrity, and in what situations.

## Values and expectations

Whatever the stated values, individuals who have made a decision to commit their current working life to a particular organization rightfully have expectations of what that system should deliver to them for having made that commitment. The company's members also have rightful expectations of each individual. All these dimensions need to be made explicit and be fully part of the fabric of "how we work around here," weaving together many of the aspects of managerial system and showing the inherent integration of values that exist within it. We state it this way:

### Commonly stated values

- ◆ Mutual trust
- ◆ Openness
- ◆ Honesty
- ◆ Individual recognition
- ◆ Customer responsiveness

### Employee expectations

- ◆ Fulfilling work
- ◆ Clearly defined role
- ◆ Authority to act
- ◆ Competent managers
- ◆ Opportunity to participate
- ◆ Fair treatment

### The company's expectations

- ◆ Commitment
- ◆ Integrity
- ◆ Cooperation
- ◆ Reliability
- ◆ Initiative
- ◆ Personal effectiveness

## One managerial leader's statement of values

To close, let us review the work of a President of a 3,000-person division of a large corporation. He presented his values to the top leadership group—about 90 managers—early in his tenure. The magic was in the fact that he stated them not as demands on the group, but rather as what the group should and could hold him accountable for. He walked his talk. These comments became the fabric of conversation throughout the management ranks and subtly, and fairly quickly, formed the way everyone was willing to be called to account.

# One managerial leader's statement of values

## What's important to me

- Leadership
- High moral and ethical standards
  - Honesty
  - Sincerity
  - Decisiveness
  - Honouring commitments
- Working with people
  - Respect
  - Expect performance
  - Defend those who are absent
  - Empathy, consideration, support for others
- Listening
  - Listen twice as much as you speak
  - Hear both sides before judging
  - Obtain the counsel of others
- Responsibility and accountability
  - Be responsible—do what's right for the business even if not accountable
  - Accept assigned accountability—be willing to face consequences
- Facilitate success
  - The success of my direct reports and my colleagues
  - Do not fear mistakes—fear only the absence of creative, constructive, and corrective responses to those mistakes
  - Support people who demonstrate willingness to learn and change
- Keep a sense of humour
- Concentrate all abilities and efforts on my current role, not worrying about the next job or promotion

## My guiding principles

- Lead from the top
- Set aggressive targets
- Resource for success
- Manage for results
- Communicate, educate, and train

### *To lead from the top, I will...*

- Set the pace for change, communicate urgency, stretch thinking, and show commitment through my actions.
- Be prepared to devote a substantial proportion of my own time to the change process.
- Be ready to slay a few of my own sacred cows.

### *To set aggressive targets, I will...*

- Set clear quantitative goals that stretch everyone's thinking.
- Force fundamental rethinking and demand breakthrough change.
- Not accept tinkering with the status quo.
- Move fast, with respect for the people in the organization.
- Set tight deadlines for achieving results.

### *To resource for success, I will...*

- Dedicate the best people to achieving the synergies that are available to us.
- Commit people who understand the business, who are respected by their peers, and who are demonstrated achievers.
- Make the necessary time available.
- Try not to underestimate the level of effort required.

### *To manage for results, I will...*

- Keep the spotlight on balancing service to the business with creating lateral synergies and cost reduction.
- Hold regular, frequent review meetings.
- Insist on tangible, business-related measures of performance against targets.
- Intervene quickly and positively if things get off track.

### *To communicate, educate, and train, I will...*

- Prepare people to function effectively in the new organization.
- Tell people—early, clearly, honestly, and repeatedly—what I am doing, why I am doing it, and what it means for them.
- Help people succeed in their changing roles and work environment.

**You have the right to call me to account for these things!**