

Implementing Organisational Values: Bringing organisational values off the paper, into demonstrable behaviours

For many organisations, bringing alive their values is a challenge unmet. Often senior management espouse the values, don't practise them, but expect them of others. However when values are in the strategic plan, the back of business cards, etc., expectations are raised that these values will be demonstrated. When not met, cynicism abounds.

Organisational values are a lever for change, as they underpin the culture needed to enable organisations to achieve key goals.

Why aren't organisations good at demonstrating their values? Often because:

- CEOs and managers don't always understand that having agreed organisational values does not necessarily mean they will be practised
- Senior management don't fully understand the implications of not leading by example
- Organisations don't put the effort into the "hard" stuff, incorporating the values so they become "the way we do things around here"
- They don't realise values must infiltrate throughout, i.e. everything must be aligned to their strategic plan, e.g. the culture and values demonstrated through the way people are managed, rewarded, recognised, assessed, selected, promoted, etc
- They don't realise the cynicism that occurs when values are espoused but not consistently demonstrated

What Are Organisational Values?

Values are the behaviours particularly valued in an organisation, the principles of "the way things are done around here", underpinning the culture. ⁱ Collins and Porrasⁱⁱ note that core values are the organisation's essential and enduring tenets: timeless, guiding principles requiring no external justification, with intrinsic value to the organisation's members. Organisations decide for themselves what values they hold as core, without compromise. "The ultimate glue that bonds the best companies"ⁱⁱⁱ is another way of defining values.

Disney values wholesomeness, happiness, imagination; Proctor and Gamble value excellence; Hewlett & Packard value respect for the individual.

Core values are never relinquished, they are part of the "way we do business". For example, Disney retained a feeling of wholesomeness and fun but continually changed from cartoons and the Mickey Mouse Club to Disneyland and videos. Boeing held its philosophy of product integrity and leading edge aviation by connecting its business strategy in the 50s with investments on commercial jets when 80% of the business came from military bombers.

Other examples: Team work, Co-operation, Customers first, Respect for others, Integrity, Being accountable, Being positive, Being open, Focusing on quality, Trust. It is not so much a question as “What are your core values?” but “Do you have core values?” Values that are held inviolable forever, regardless of what changes around us.

Collins and Porras recommend asking these key questions to identify core values.

- If you could start a new organisation regardless of its industry, what core values would you build into it?
- What core values are you prepared to hold to, regardless of whether they may become a competitive disadvantage?
- What values can you envisage you remaining valid to you for 100 years from now?

As Gouillart and Kelly^{iv} say;

“Values and beliefs guide the decision of corporate life. It is the leader’s task to ensure that they are aligned and consistent, rather than mixed and contradictory.” They point out, “Values define the firm’s nonnegotiable behaviours as well as provide the guideposts for navigating through grey areas. They set forth the “do’s” and “don’ts”, the “always, under any circumstances” and the “never, under any circumstances”. They are the essence of corporate culture. They keep a company together and give it resilience. They are expressions of its personality, determining its attractiveness to employees, customers, and all others who have a say in whether the firm will prosper. Publishing values is a good idea, but living them day in and day out is what really counts in the end”

It is this latter comment that I am discussing here: the “living” of the values, rather than just the publication of them.

Can Values Be Lived In Organisations?

Yes, but it takes hard work, consistency, a common understanding of what exactly the organisation’s values mean, and critical to success, the modelling of the values by every leader in the organisation. As James O’Toole^v says, “Leaders must adopt the unnatural behaviour of *always* leading by the pull of inspiring values”.

There is often a difference between espoused values, and the “embedded” values. This necessitates a concentrated change programme as the practised, embedded values, sap energy and impede change processes, as well as success. For example, an espoused value may be Trust, but there is a blame and fear culture, because of micro-management and punishment of mistakes.

Successful organisations usually have strong values. Rarely more than 5 or 6. A company’s strength can come not so much from its strategy or products or

services, but from the way it behaves. New Zealanders are often divided between supporting Telecom or Clear, according to their values.

Why Are Values Important?

Values underpin the culture of an organisation, so are critical to an organisation achieving its strategic goals. And the culture has such an impact it can make or break any organisation's success.

Organisations can differentiate themselves from others values in the way they demonstrate their values.

Values can transform an organisation into one where people clamour at the doors to be let in. That is a vision many organisations would delight in. People are increasingly realising that "spirit" in the workplace is enticing, and will help organisations achieve their full potential through encouraging those with similar values to come to work each day. This year New Zealand is holding its first "Spirit In The Workplace" conference.

Good Examples

Hewitt Associates are a company of HR consultants who have lived their values, and are driven by them. Ted Hewitt took 3 months out before establishing the firm to think about how he wanted it to be. His goals and values are still in place 60 years later. They have had a 25% increase in profit each year over the last 4 years. There are now 77 offices in 37 countries, and 11,000 employees worldwide.

Huge emphasis is put into selection; people are selected for "fit". Skills can be learned. As a result they have less cynicism and suspicion than many companies. They work on the concept of select, then hire. The selection and recruitment process can take as long as 4-6 months. Promotion of the firm's values, and walking the talk, are important in internal promotion. Induction is important and the values feature prominently in this. E.g. they take prospective employees to their overseas conferences and induction programmes to enable them to see how they like Hewitt, and how Hewitt likes them, before they are hired. They are serious about this. A lack of alignment with the firm's values is not tolerated in Hewitt. There is a firm wide responsibility rather than a manager's responsibility to ensure employees behave consistently with the values.

Dee Hock, the Founder and CEO of **Visa**^{vi}, organises the workplace around purpose, vision, principles and values. He differentiates this from less forward thinking organisations organising around rules, regulations, and control.

Boulder Heuristics Inc.^{vii} went, in 5 years, from \$140,000 in revenue to \$5 million. In 1995 they projected growth to \$20 million by 2000. Employment was expected to grow from 33 workers to 80 in that time. They have 3

integrated underlying factors; a set of core values called internal operating commitments, a team of highly skilled software engineers, and a unique approach to management. Integrity is valued over profit. When they started applying their core values to the people they work with, employee satisfaction shot up, customer satisfaction, fun and profits shot up. Skilled software developers are attracted to the company because of its core values.

How We Can Implement Organisational Values

There are many ways to bring the intentions of our values into our behaviours, “the way we do things around here”.

Matching Individual Values

People are more likely to put effort into living their organisation’s values if they understand the fit between their values, and the organisation’s. Therefore, each organisational value needs a brief definition, e.g. what trust means here, what teamwork really means here. Each employee needs to identify their own values, and see how they match into their organisation’s values.

Clearly Defined Behaviours

Each organisational value also needs measurable behaviours identifying which behaviours are encouraged, and which not tolerated. Teams or a working party could identify these. They become specific guidelines, or ground rules, for behaviours in your organisation. Some examples :

Our people

We value and grow the talents of our staff by providing encouragement, support and opportunities for growth and development.

- We each take responsibility for having an annual, agreed development plan, and for achieving that plan.
- When we need help we will ask for it.
- When others make mistakes, we treat it as a learning opportunity for both parties, and do not get into sarcasm or criticism. Only constructive feedback is given.

Innovation

We strive for

- Receptivity to new ideas
- Thinking and approaches that are flexible
- Solutions that are different
- Ability to think beyond the norm

Performance Management System

Incorporate values in the performance management system. We usually measure business objectives and competency levels. Competency levels can input to development plans, with people measured instead on demonstrating the organisation’s values. 360degree systems should measure your values-related

behaviours. Feedback should discuss how the values have been demonstrated successfully, and the difference that made.

Recruitment and Selection

Select for fit with your desired culture and values. Values should be discussed fully in orientation programmes.

Team Meetings

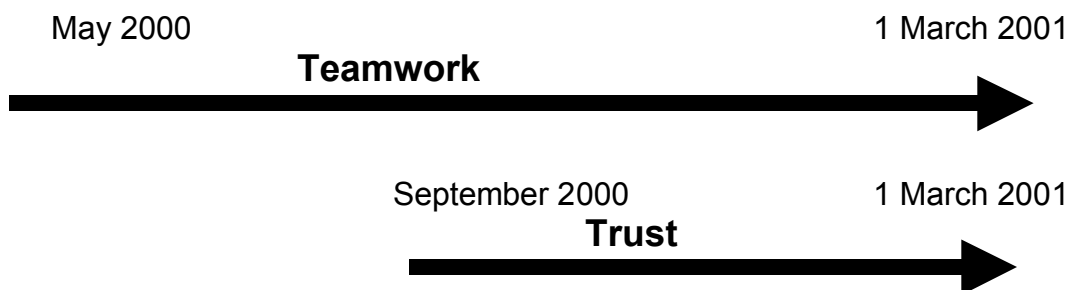
Team meetings should focus on the business and values. Share examples of how they have been successfully demonstrated. Focus on particular values for a week or a month. Genuine discussion on what the values mean, and what behaviours are acceptable, and not acceptable, should be commonplace.

Strategic Plan

Your values must underpin the culture needed to help you achieve your strategy. Strategic Plans should also take heed of your values. If teamwork, leadership or empowerment are values, how will they impact on your future structure? Will they change how performance is rewarded? Should the way staff are selected and promoted change? The way you survey customers? Processes?

Organisational Focus

Identify which values will have most impact in changing behaviour, and concentrate on those for a period. You could emphasise teamwork for 6 months, with each person identifying a measurable behavioural objective they will achieve. This is shared with their team so support is available. After 6 months, that value is still emphasised, but another added in.



Change Management

So often I hear people complaining through major change, that “they” took no notice of the organisation’s values during change. Values of trust, respect, and integrity are often compromised. What a difference it would make for survivors of change if their leaders undertook all change with cognisance of the organisation’s values throughout the process.

Conclusion

People are becoming cynical when values are discussed. People look for what really happens around here. When they see what happens differs from what we say should happen, distrust sets in. The Deming Institute^{viii} believes we waste up to 50% of productive time through lack of trust. Most organisations cannot afford that.

Some questions in relation to your organisation's values.

- Do you know what those values are?
- How do they fit with your own values?
- Are people's behaviours measured against these values?
- If the values were really practised, what difference would it make?
- Would you be happier at work?
- Would the organisation have real competitive advantage?
- What can you do differently to start living the values?

The Institute for Global Ethics^{ix} template for making decisions.

An Ethical Decision-Making Model for Your Organisation

1. Is it legal?
2. Is it permitted by your organisation's code of conduct
3. How would it be viewed by your organisation's code of ethics and shared values?
4. Does your personal code of ethics give it the thumbs up?

ⁱ Schein, E. (1994) in **Corporate Culture** by Charles Hampden-Turner, pp 22, Hutchinson Books, UK

ⁱⁱ Collins J.C. & Porras J.I. (1994) **Built To Last** Harper Collins, USA

ⁱⁱⁱ McNamara, C. P. (1997) Organisational Excellence **Business and Economic Review** July Vol. 43, No. 4, p.19

^{iv} Gouillart, F.J. & Kelly, J.N. (1995) **Transforming The Organization** McGraw-Hill, United States

^v O'Toole, J., (1996) **Leading Change: The argument for values-based leadership**, Ballantine Books, New York

^{vi} Hock, D. (1999) **Birth of the Chaordic Age**, Berrett-Koehler Publishers Inc. San Francisco

^{vii} Whaley, C. (1995) Heuristic's Core Values at Heart of Each Project. **Boulder County Business Report**, Vol 14, No 10.

^{viii} Whitney, J.O. (1996) **The Economics Of Trust** New York, McGraw Hill

^{ix} <http://www.globalethics.org/default.html>