

VALUES

MAKING IT CLEAR...?

"To educate a person (company?) in mind and not in morals is to educate a menace to society."

Theodore Roosevelt.

"It's not hard to make decisions, when you know what your values are."

Roy Disney

Corporate values are the stable dispositions which people use to guide their actions and decisions and to help them make judgments about what is right or wrong in that organisation.....what are yours.....are they.....

a) covert b) overt or c) overt & used d) overt, used & owned...?

259 of the senior executives of America's Fortune 500 companies were asked what were the most important things in dealing with constant change.

They identified firstly Leadership and secondly Corporate Values.

So it would seem, that even in these mostly IQ driven, short term focussed, shareholder 'owned' organisations, the top two keys to a sustainable financial future are both EQ focussed i.e. Character before Competence / People before Process / Values before Valuation / Morals before Money / Proactivity before Profit. In every case both will be required, the importance is in the order they are applied.

Imagine placing all the ingredients of a cake in the oven before mixing them together to create the right 'cohesive culture' before you put it into the heat of the oven? The order of events is crucial - even when you have the right employees, with the right skills in the right place - that 'oven' of a workplace will not produce the final 'product' until they are mixed, cohesive and aligned...where HR means, Human-Relations not Human-Resources.

Since I've already previously written about Leadership - here are my thoughts on values.

Many organisations, especially after the selfish short term values financial collapse of 2008 would now say, or offer that, they are 'values driven'. This was an ethical values collapse of course - they did have values, as every organisation has, mostly covert of courselet's make as much as we can, as quickly as we can, regardless'.... I wonder what values they had on their annual report?

I believe there are six levels of 'Corporate Values' in organisations.

1. There are none and if asked the CEO or Chair tells what they are, which no one else knows. (covert)
2. They are on a wall somewhere and created by the Board or CEO. (covert)
3. They are on a wall somewhere and created by the top team. (covert)
4. They are on various walls and created by the whole workforce or their chosen representatives. (overt)
5. They are on various walls, the letter heading, the web site and are used a) to annually measure the behaviour of everyone through their peers, starting with the CEO and b) to appoint new staff to ensure alignment and staff engagement. (overt and used)
6. All of 5 above, plus the crucial fact, that the CEO is the one who is totally committed to ensuring that the organisations' DNA ('how we do things about here') is aligned and in reality IS the one who is driving that all important bus that Jim Collins talks about in his excellent work 'From Good to Great'. The key question here is -

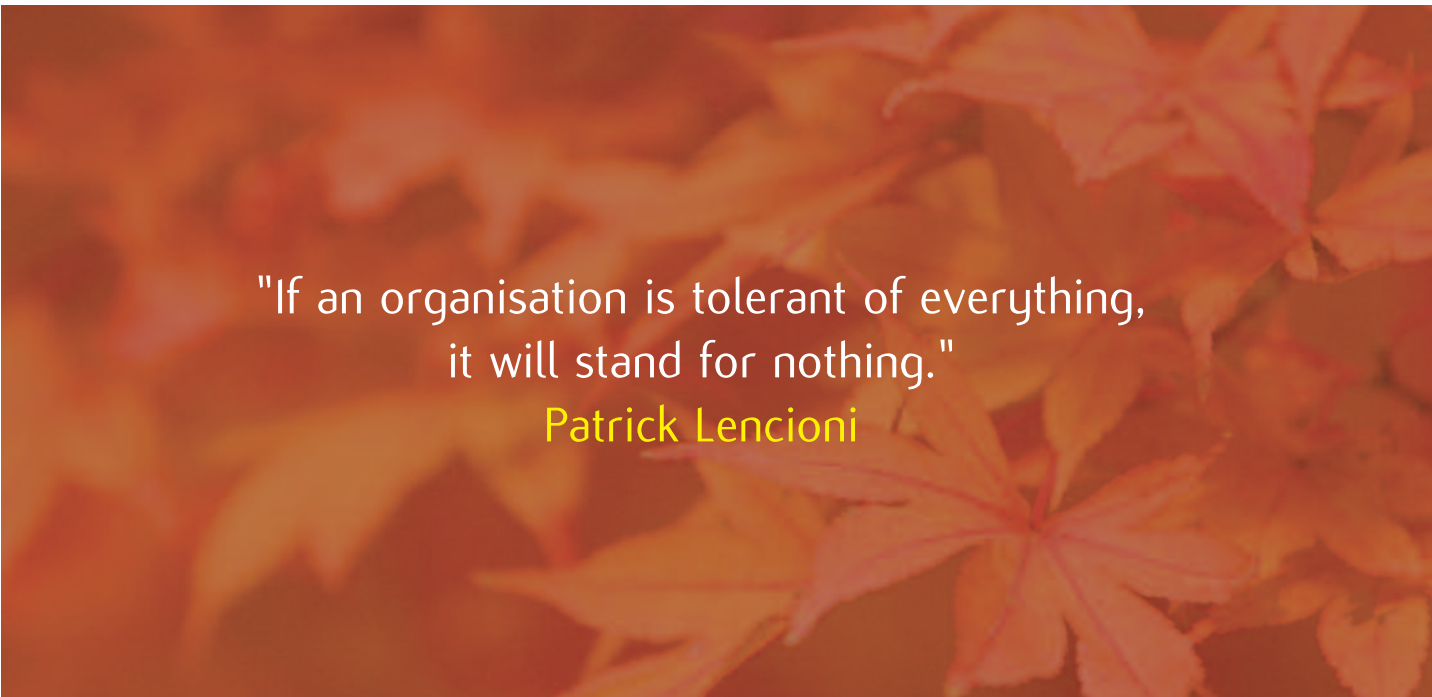
"Whose values are in the driver's seat?"

The 'leader' Must ALWAYS be, the custodian and exemplar of the values. If they deviate, everyone will do what is easiest - things right (covert) not right things. (overt, used & owned)

Only 6 - 'overt, used & owned', ever truly works

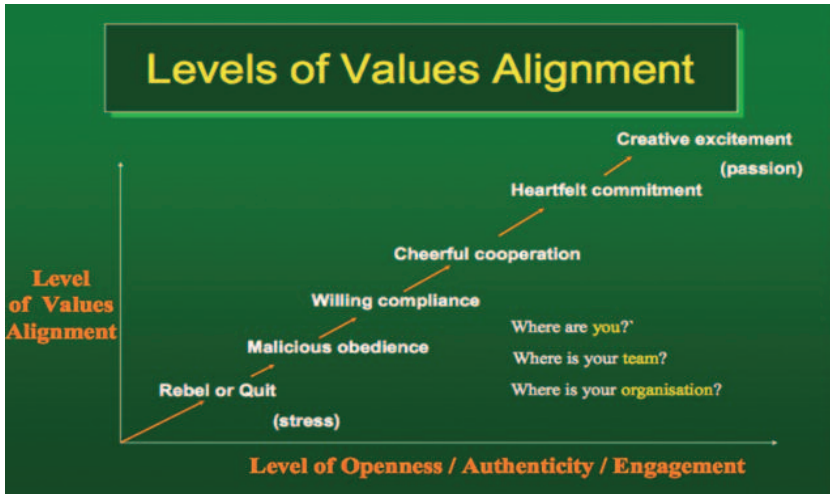
By definition actually, every single organisations is 'values driven' whether overt or covert and unless it is at least overt, it will be by a command and control structure where innovation will be minimal, leadership absent, engagement very limited and based on the centuries old - 'power of position'. There will of course be some situations where this culture is necessary, these are however rare and will through time, become almost extinct, except, unfortunately in emerging countries. Pity they have to go through the same 'pain' we have learned from.

In an organisation where values are covert, they will place competence before character, money before morals and management before leadership and will thus, inevitably be short term in their lives. At its extreme, see Enron, Parmalat, WorldCom, Arthur Anderson, banking crisis 2008 RBS et al).



"If an organisation is tolerant of everything,
it will stand for nothing."

Patrick Lencioni



From Gary Hamel's new book - 'What Matters Now', we see that recent global research shows that only 1 in 5 employees is truly engaged, heart and soul in their work.

I wonder if your organisations is above this global 20% norm? Maybe the important questions would be - a) do you even know, or b) have you any real idea? (Could this affect your profit line far more than anything else?)

I believe you will not know your answers to a) or b) above, if your values are not at least overt, and owned, as why would anyone take the risk to tell you, or even truthfully answer your question -

especially if you are the CEO or their 'sergeant'?

Every employee's career path, income, security (well materially anyway), promotion and stress level will depend on aligning to the values of the 'bus driver' - you (the CEO) - nothing to do with the possibly purported 'corporate values'.....!

So where is your organisation on this values alignment continuum - where does it need to be to be truly sustainable - as it will differ for every unique culture?

Where would your 'lowest paid' staff place it? As that may be the true test, if they feel safe enough to let you know!

At its worst, staff will ensure the 'orders' given are somehow diluted or lost if they do not believe in the 'values' at the top. They could of course vote with their feet and leave, thus costing the company in time, recruitment, advertising, lost knowledge / skill and lost production - directly hitting the 'bosses' where it hurts - their bottom line.

If organisations are overt about their values and own and use them, then it will attract people, clients and suppliers who 'value' those values and repel the 'wrong' ones. New employees thus add to the strength and resilience of the company and turnover is minimal. Even if people do leave, in the best companies, they also often come back when they find the grass isn't greener - like W L Gore. (Overall Sunday Times No 1 Best Company To Work For in the UK since 2004)

If of course you are in the production of widgets (industrial age) and do not use computers, thus simply wishing to attract human-doings who leave their hearts and souls at the door and care about nothing but receiving some money for the use of their hands - then also make your values clear and attract people who also value this turn up for the money alone culture - as there is nothing wrong with that, as long as its overt - authentic.

It's the covert use of values that creates endless disruption, growing stress, political tensions, longer time

scales through the lack of trust and complete loss of creativity where one sniff of fear results in almost an immediate withdrawal from risk. It could even lead to 'immediate' whistle blowing on the internet....and all this in a fast ever changing, very competitive market place..!! And that's' only for your staff..... never mind the products you sell!

As I said, every organisation has values and its success, sustainability or failure, will depend on who is on your values 'bus' and more importantly who really is driving it?

Employee owned and co-operatives are far more likely to be open, owned and used, in values terms - as it is their organisation and not the values of say the Board or shareholders, (which is not wrong) simply not what most want when they and you, want them to be engaged. They are thus, far more likely to be happy, healthy, engaged, creative and committed to giving their all, including their hearts and souls.

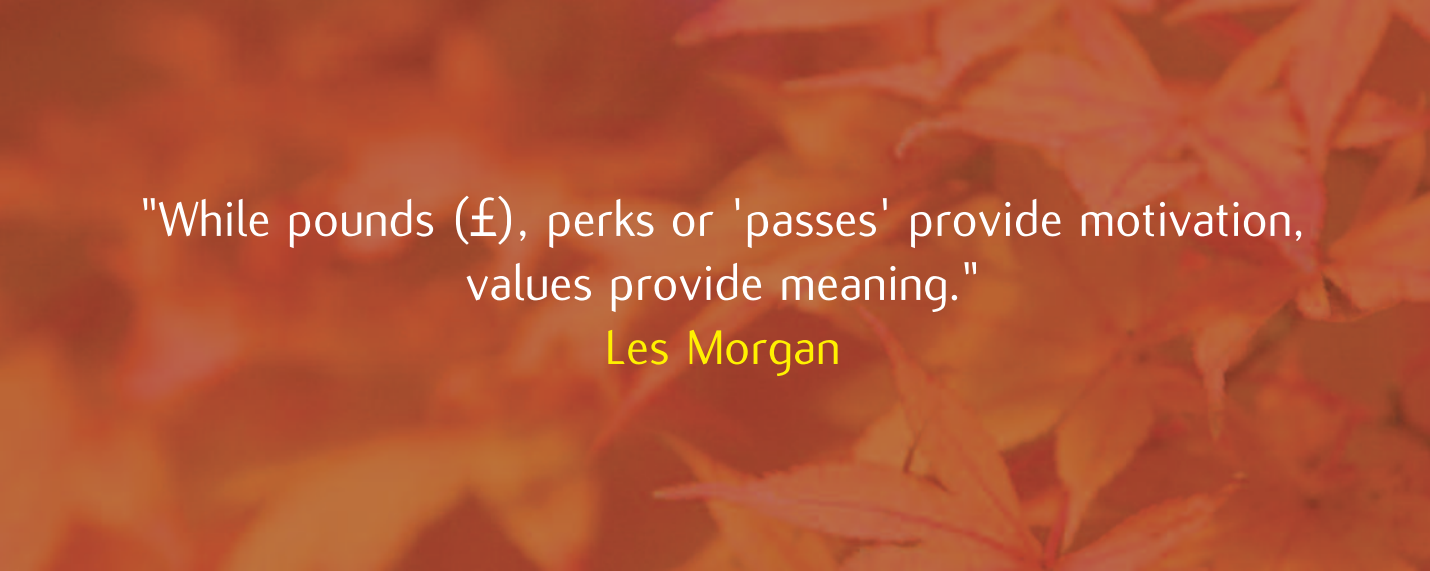
Such a culture ultimately leads to a 'problem ownership' culture, where they seek to find their own solutions to their own problems. This grows the company by enabling staff to grow themselves first and in doing so, achieve solutions quickly and thus minimise time to market.

You cannot develop a company without first developing the people.

Here is where the sustainably profitable bottom line is an outcome of what is a sustainable and ever developing values based culture and not the reason for it.

Corporate values provide the ultimate guide for employee behaviour at all levels. This too is an area that Jim Collins (Collins & Porras) addressed in their great work 'Built to Last'. In their research, they found that enduring, successful companies adhered strictly to a fundamental set of guiding principles that guided their behaviour and decisions over time, preserving the essence of the organisation.

(see W L Gore web site, as possibly Scotland's best existing example and Scotland's No 1 Company To Work For Sunday Times Top 100 since 2004
http://www.gore.com/en_xx/aboutus/culture/index.html)



"While pounds (£), perks or 'passes' provide motivation,
values provide meaning."

Les Morgan

QFOUR has created 'overt, used and owned' values in:-

A SCHOOL (James Hamilton Academy Kilmarnock all teaching staff @80 / 750 pupils
/janitors / kitchen staff & self selected parents;

<http://www.jameshamiltonacademy.co.uk/pupils/codeofconduct.html>),

COMPANIES (inc. Aquascot all Directors and employees @ 110

<http://www.aquascot.com/about-us/our-values/>);

CHARITIES (inc. COVEY Befriending)

<http://www.coveybefriending.co.uk/>);

A CHURCH (Kings Church Monklands)

A WHITE WATER ADVENTURE CENTRE (ACE Adventures)

<http://www.aceadventures.co.uk/about/>

**If you wish to explore your use of values in operations / appointments /
appraisals / decision making or simply create them and 'own' them
for the first time - email or call me.**

e - Les@qfour.org.uk m - 07770 903266