Truth 17

Having organizational values matters; living then means more

Contrary to what may seem common sense, it is not important what values your organization identifies; it's important that your organization has values. (To add a qualifier, your organization has to have the “right” values -- as opposed to what values the Ku Klux Klan might embrace.)

Why?

Organizational values have a holistic impact

In an organizational setting, values are all-encompassing, deeply rooted, and constant over time. They are comprised of and evidenced by customs, rites, and symbols. They are reflected in policies and procedures, dress code, hours of work, employee relations practices, communications patterns, rules for corporate governance, as well as the environmental setting.

An example of how values holistically impact an organization may be seen on the weekly television show, “The Apprentice.” Watch the boardroom scene at the end of each show. The room is dark; participants are instructed upon when to enter; the furniture appears to be solid mahogany; the décor is very formal; the table is long; the chair in which Donald Trump sits is in the center of all activity and it is larger than the others; he enters through a private door; and he is addressed as “Mr. Trump.” These environmental factors alone tell boardroom visitors much about this organization’s values.

Values are the basis of community

As pointed out by Jody Hoffer Gittell in her book that analyzed the people strategies associated with one company’s unparalleled success, The Southwest Airlines Way, “[r]elationships shape our own personal identities: they define who we are. It is no wonder, then, that relationships among people who work together – particularly their shared goals, shared knowledge, and respect for one another, or lack thereof – are such powerful drivers of organizational performance.”

Values define relationships. They are the link to your team.

Among other benefits, values foster individual and collective “connectivity” between people, promote loyalty, define acceptable attitudes, and encourage ethics. They are the fundamental underpinning for determining acceptable norms of conduct. They allow team members to consider and define their respective self-definition.

Values are a required managerial competency

Evidence suggests that your success as a leader is based, to a large degree, upon your ability to identify and clarify values, communicate them, as well as to harmoniously align your strategies and business practices.
Values are a critical aspect of organizational viability

In *Built to Last*, Stanford University Professors James Collins and Jerry Porras analyzed industrial leaders such as Merck, Sony, Wal-Mart, 3M, Disney, and IBM, as well as some of these companies less than successful competitors, in order to identify the differentiating organizational characteristics for success. They discovered, among several key findings, that what made these companies enduring, prosperous, and preeminent was a “core ideology” -- a set of values and purpose fundamental to the company that seldom, if ever, changed.

Other studies have likewise concluded that strong corporate cultures based upon shared values have outperformed other firms by huge margins.

The key to values identification: Enforcement

If you are not prepared to act upon your values, you are better off not having any.

Research has shown that “values-less leadership” -- the disparity of values between management and the employees, as well as a lack of management commitment to the organization’s values are two of the leading reasons for reduced employee job satisfaction.

Values are not negotiable. They should be considered as the as the litmus test for all organizational behavior and discipline.

Get started

If your team or organization does not have a highly visible, well-articulated values proposition, you should act accordingly. To get started, you should use a participatory approach, identifying whatever values and behaviors you aspire for. To the extent possible, they should be concise, readily understandable, universal in application, consensus-driven, and customized for your organization.

Examples of values statements may be found in Appendix E.

On an ongoing basis

As we tend to view and interpret the world around us through our own values, you should:

- Make values clear.
- Express values in behavioral terms so they are recognizable and can be emulated.
- Enable teams to frame specific values for that team, its customers and outputs.
- Provides mechanisms to keep values visible.
- Incorporates values into business planning, performance management, and compensation practices.
- Provide values feedback to each person.
- Provide training.