



CAPLOR HORIZONS RIPPLE PAPERS

...creating ripples of change

Understanding,
Living, and
Leading the
Values of your
Organisation

Professor Sharon Turnbull
Organisational Development Advisor



Learning differently

Thinking differently

Acting differently

Understanding, Living, and Leading the Values of your Organisation

Summary

“Open your arms to change, but don’t let go of your values” Dalai Lama

Values have an enduring importance in a changing world. Sharing, living, discussing, and updating your values to meet the challenges ahead and integrating and engaging new people to live your values are as fundamental for organisations as renewing strategy and measuring results.

Within the wider context of organisational culture, this article explores what values are, how they link to behaviours, and how they are different from beliefs. It then gives some clear insights into why understanding, living and leading the values of your organisation are so important. Finally, it also provides some ideas about how to embed and strengthen organisational culture by living your values, including by having clarity about the behaviours that help enact them.

At a practical level, when organisations are renewing their values, we encourage them to identify and focus on three, or a maximum of five, and to communicate these in the most compelling and succinct way possible. With each value, we encourage articulation of a short description of what this value means and the behaviours that will bring them to life in practice.

Often living the values effectively falls down at the first hurdle because there are too many to remember, and they are expressed in ways that do not grip people’s imagination.

At a more profound level, ultimately living your values effectively goes beyond strategy: it is about embedding them deeply in the organisational essence, its culture and soul. As Peter Drucker’s famous saying runs: *‘culture eats strategy for breakfast’*.

Values are at the heart of organisational culture and soul. They are essential for your organisation’s well-being and continuity. They should not be overlooked.

For other relevant information and context related to living values, please see our book *‘The Change Makers Guide to New Horizons: Organising Differently for a Sustainable Future’*. Or the following texts : *‘The Soul of Organisations’*; *‘The Essentials of a Sustainable Future’*; *‘Learning to Lead with a Moral Compass’* and *‘Leading Cultural Change’*.

What are values and how are they different from beliefs?

“Your actions matter. No action or voice is too small to make a difference.” Vanessa Nkate

“Whatever things you go through, stay true to who you are and your core values” Sophie Gregorie
Trudeau

In today’s turbulent world – including the growing impact of the environmental crisis and the shock of the pandemic – each of us can and needs to make a difference. Each of us can have clarity about what we value and what we believe.

At the same time, organisational leaders might be forgiven for thinking that delivering results in order to survive and thrive should take precedence over reflecting on the core values that underpin the organisation. However, in this paper we will argue that in the context of organisational culture, values are the essence, heart, and roots of an organisation and provide the stability and direction from which all else can grow.

Values and beliefs are very different, but because they are often discussed together, people can be confused about the difference. In essence...

Values: These reflect the organisation’s core ideology – the principles, standards and qualities that characterise the way in which it conducts its work. They can be deeply held, and, although difficult to articulate, they can effectively guide leaders’ decisions and the actions of the organisation as a whole. Values can be felt deeply by people inside the organisation, and, where these values are strong and clear, they will be felt by organisational stakeholders too. Whilst they can be intangible, values are powerful in providing the well spring for organisational culture, in guiding strategy and in influencing day to day decisions and action. Newcomers to an organisation can be quickly socialised to understand and live the values if inductions are carried out well. Often, they are not spoken but transmitted by behaviour, language, stories, and symbols. When these values are transgressed (or undermined) by outsiders or incomers from other cultures, this becomes apparent. Newcomers who do not share an organisation’s core values might be rejected by the culture. Values lie at the core of an organisation’s culture. Strong and clear values are transparent, visible, and will be reflected in what an organisation is and does.

Beliefs: By contrast, organisational beliefs are a statement of what an organisation believes or accepts to be true. They are more contextual than values, and are derived from past experience, as well as from the norms of the culture and the environment in which an organisation operates. Beliefs are best seen as statements of how the world should or could be. Unlike values, beliefs may be transient and are often reshaped by new experiences or by exposure to new situations or new contexts. Beliefs are influenced, and brought into the organisation, by people with different backgrounds often with different professional training in different functions. Beliefs can also reflect the past experiences of the members or other stakeholders of an organisations. This diversity can enhance an organisation’s creativity and innovative processes. Too great a homogeneity in an organisation’s beliefs is rarely desirable as this can encourage groupthink (where people all start to think alike to the detriment of new ideas). In the same way that Caplor Horizons encourages organisations to focus on three values (or a maximum of five), for

communication purposes, it does the same with beliefs; this does not take away from the point about welcoming and acknowledging the wider diversity of beliefs that often exist within an organisation.

Understanding, living and leading the Values

“Stay true to your core values and align to those who match them.” Maya Angelou

“It's better to not have organisational values if values aren't operationalised into behaviours.” Brené Brown

“If values matter in an organisation, you have to be prepared to act consistently.” Carly Fiorina

Shared values are the glue that enables an organisation to thrive, survive and measure its own behaviour and success.

Understanding, living and leading the values of your organisation is not easy, but perhaps it is *the* most important element of authentic leadership. Values are an essential starting point and guide for leaders, but they must also be revisited often to ensure that they are still living and breathing, clearly understood, and consistent with your purpose, mission and vision. Too many organisational values are simply words on a page (or on a business card or in a power-point presentation).

To live, they must be demonstrated, role modelled, talked about, and shared.

The world may have changed dramatically since your organisation was founded; a world that has been destabilised by the many geo-political crises we are all facing. It may therefore now be very timely to revisit your values, ensure they are well understood internally, and lived by all, and ask to what extent they are guiding your actions and strategy.

Values cannot be created – or indeed changed – overnight. They must be carefully articulated, and people need to understand how these can be lived. They should inform internal and external relationships, guide your communications, rewards, sanctions, teamwork, and leadership behaviours at all times. Role modelling your values is an essential element of authentic leadership. What you stand for, what the organisation stands for, and how you want to operate on this planet are all evidenced by the essence and uniqueness of your values.

Your values are at the heart of your cultural norms. Your values ought to guide your decisions and the decisions of your people. They should enable others to understand those decisions. Without a values-based compass, leaders can become directionless and lost, their organisations can lose focus, and people lose motivation. There has never been a more important time to focus on our values. In Caplor Horizons we have often used different approaches to assist organisations to do this.

In Brené Brown's book, 'Dare to Lead', she provides a process for defining, exploring, organising and sharing values and behaviours within and beyond our organisations.

Her research has shown that only approximately 10% of organisations support their values with clear behaviours; moreover, the evidence she has accumulated leads her to the view that it can be better not to even have organisational values if they aren't operationalised into clear behaviours.

Here is an example that she shares of operationalising values through clear articulation of behaviours. Brené Brown's Education and Research group have defined the following three values: "be brave", "serve the work" and "take good care".

Each of these has been operationalised into behaviours that everyone is held accountable for demonstrating. She explains: *"each behaviour is evaluated on a Likert scale (5 = always to 1 = never) by the individual and their manager separately, and then compared in a series of one-on-one conversations throughout the year. In these conversations we identify strengths and opportunities for growth, areas where people need coaching, and places where they might offer help to others"*.

"Be brave": from 'Dare to Lead', here are some examples of behaviours that support this value...

- I give feedback in a respectful and daring way.
- I am aware of the emotions that are most likely to arise for me when I am in struggle.
- I understand how my emotions affect my behaviour.
- I am able to reality-check the stories I tell myself during conflict/ disappointment/ setbacks.
- When there is a setback, failure, or disappointment, I'm able to identify the key learnings and share them within the team and the organisation.
- I own my mistakes and discuss them in an open and honest way.
- I'm prepared to offer my point of view to the team.

"Serve the work" is about stewardship and behaviours that support this include...

- I take responsibility for our community's experience.
- I am responsible for the energy I bring to situations, so I work to stay positive.
- I take ownership of adapting to the fast pace of this environment.

"Take good care" has to do with how we take care of ourselves and each other:

- I treat my colleagues with respect and compassion by responding when appropriate in a timely and professional manner.
- I practice gratitude with my team and colleagues.
- I am mindful of other people's time.

Brené Brown concludes by explaining how operationalising values takes what can sometimes seem like lofty and subjective values to make them real and actionable. She argues that being clear in this respect is kind, being unclear is unkind.

When operationalised well, behaviours become habits inspired by values and positive thought and action. As Gandhi said: *"keep your thoughts positive because thoughts become words; keep your words positive because your words become your behaviour; keep your behaviour positive, because your behaviour*

becomes your habits; keep your habits positive, because your habits become your values; keep your values positive, because your values become your destiny.”

Why should we undertake work on our values?

“Lasting value is earned when people see their own values authentically reflected in their day to day work and when they choose to passionately live, breathe and share the organisation’s story” Charlena Millar.

The people and organisations that are considering accessing your services or products are also ‘buying’ your values. They ‘buy’ your ethics and principles, the way you do business, your attention to quality, the way you treat your people, your fairness to your customers, and your focus on the sustainability of the planet. The values of your organisation will resonate with the people inside it as well as with your clients, partners, friends and even rivals – all of whom connect with you in different ways. When your values are strong enough, this resonance will enable people to understand the organisation’s passions, purposes, beliefs, values and its sense of itself in the wider world.

Values are usually set and nurtured by the leadership of an organisation. Such leadership in many organisations aspiring to distributed leadership is shared across the organisation, and the organisational values agreed and held throughout. Values often reflect the founder’s philosophy, but equally importantly the values need to resonate and be lived by the wider organisation and be mirrored by all the people working there. Values lie at the deepest level of your organisation’s culture. Your values give you a fundamental sense of purpose, and your organisation’s sense of itself as a whole in the many worlds it inhabits.

Your values are visible in the working, thinking, feeling, knowing and practices of the people in your organisation. They provide continuity in a rapidly changing world, but they also provide stability when change is inevitable. Values may evolve over time as the world changes around us, but this should be addressed with care and reflection, and with wide internal involvement.

In organisations that are guided by a distributed model of leadership, where leadership behaviours are an essential part of the culture at all levels, your values are your glue.

They shape your culture and are the guiding principles that ensure you stay focused. Values can earn you loyalty, both inside and outside the organisation. Your lived values create your ‘story’ and your reputation. But your espoused values must match the ‘lived’ experiences of the organisation, the culture, and resonate for your stakeholders and partners. Your people, and those organisations you work with, will spot empty rhetoric a mile off!

‘Values-based decision-making resonates deeply with who you really are. It creates the conditions that allow authenticity and integrity to flourish.’ (Richard Barrett, The New Leadership Paradigm)

Richard Barrett’s work focuses very strongly on Values-Based leadership. In summary, he argues that the main features of values-based decision-making are:

1. First, be clear of the values that are guiding you.
2. All the critical decisions that you make should be able to pass your values test.
3. Your decisions are not based on past experiences, but on the future that you want to create.
4. You are in control of your actions and behaviours.
5. In time, your decision-making will become intuition-based as you learn to tap into the collective intelligence of the wider group.
6. Finally, your decision-making will become inspiration-based when thoughts that guide your decisions seem to arise from nowhere, are persistent, and are linked to the actions we need to take to achieve our greater purpose.

Barrett suggests that organisations should choose no more than four or five values to guide their behaviours. We usually advise that three core values for team-working and communication purposes. Values should be kept alive in day to day working. Also, as part of the renewal of strategy, this should involve as many people as possible, ideally everybody in the organisation.

Once values have been renewed and agreed with clarity about rationale for each of these, and the observable behaviours needed to live them- Barrett argues that leaders should engage as many people in their organisation as possible in ongoing conversations about what these values mean for them in day-to-day activities. These conversations should enable people to explore their own personal connection with organisational values.

One useful method for engaging a large number of people in a values-creation or renewal process is to adopt an Appreciative Inquiry approach (as developed by David Cooperrider). The basic premise of Appreciative Inquiry is to find situations where there are better than expected results, and then identify the preconditions that helped to create the context for these results and find ways to support (or at least not prevent) these preconditions in the future. Engaging in Appreciative Inquiry means asking questions together, not to find the problems or gaps, but instead to find out what is working and why. Appreciative Inquiry, in essence, is a method of searching for '*what gives life to a living system when it is most alive, most effective, and most capable*' (Barrett, The New Leadership Paradigm).

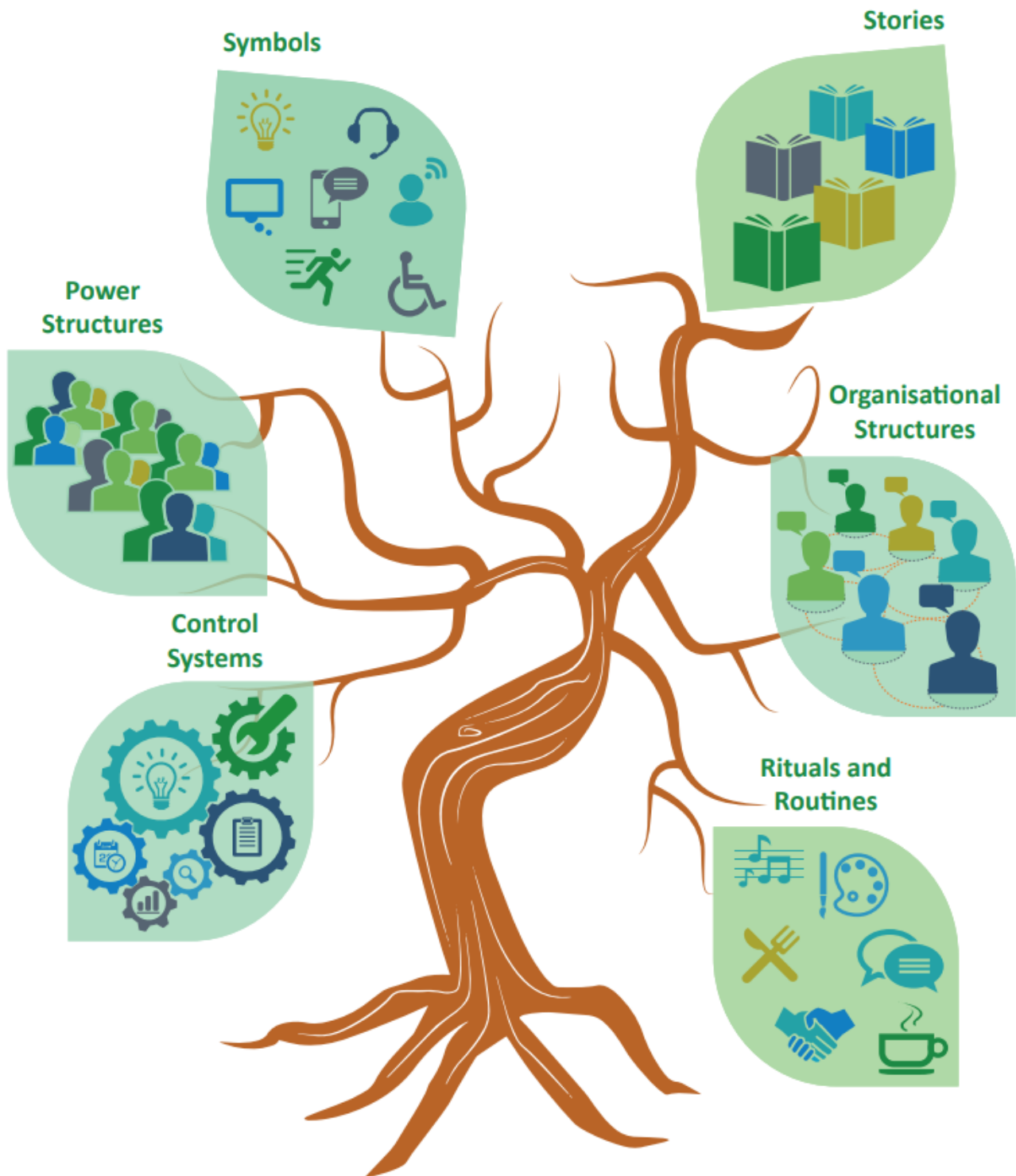
Of course, you cannot force people to adopt your espoused organisational values, however passionately you feel about them. If there is misalignment or resistance in areas of your organisation, this is better addressed through carefully structured cultural change initiatives, not through so-called 'values training' (which so often involves attempts at indoctrination!).

Remember, your lived values are found at the deepest level of your organisation's culture (the roots). Values cannot be managed at will. It is only by changing other more structural or symbolic aspects of your culture (the things that can be managed) that you will drive real and lasting values change. To do this you will need to start by asking:

- How does our culture support our core values?
- What needs to change in our culture (symbols, stories, structures, rituals, routines, controls etc.) to ensure that we live our values?
- How will we make these changes?

The Caplor Horizons Culture Tree (based on Johnson and Scholes' Cultural Web) and discussed elsewhere in our paper series, will help you to structure this change process. As depicted below, the organisation's values form the roots of a culture and are therefore the stabilising force, particularly in stormy times. Whilst we must prune and care for the branches, this work will enable the strength and life to remain in our roots (our values).

The Culture Tree



Organisational Values and Behaviours

(influencing all elements of culture and at the heart of all decision-making)

All organisations are work in progress. Organisations progress along a path, sometimes mindfully, sometimes without paying much attention to their journeys. The core purpose of an organisation is usually strong and clear at the start, often articulated and envisioned by a founder, but the supporting values may weaken over time, sometimes signalling the need to re-energise the culture and the leadership.

We argue that as we address emerging global challenges, including emerging from the shock of the pandemic, it may now be a good time to revisit your values and reflect on how they are played out in our behaviours, as well as how these are lived, understood and communicated both internally and externally.

Conclusion

“When you are, what your values are, what you stand for, they are your anchor; your guiding star.” Ann Mulcahy.

“Daring leaders who live into their values are never silent about hard things” Brené Brown

Sharing, living, discussing, and updating your values to meet emerging needs and integrating and engaging new people to live your values are as fundamental for organisations as renewing strategy and measuring results. This, along with all the other challenges faced, is not easy. However, as Brené Brown says, if you live your values you will be better placed to tackle hard things that you face.

Values are at the heart and soul of an organisation. They are essential for your organisation’s well-being and continuity. They should not be overlooked. They are a dynamic and critical for an authentically informed decision-making.

At Caplor Horizons we often work with organisations to help them to develop and understand their Values, to develop a culture that is aligned with these values, and to foster a distributed leadership process that supports their strategy.

Understanding, living, and leading the values of your organisation is not easy; however, in our experience, doing so is essential for guiding your organisation towards a sustainable and purposeful future.

Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

Our vision is: *A world where leaders deliver a sustainable future for all*

Our purpose is: *To be courageous, compassionate and creative in facilitating transformational change*

Our values are:

- **Courage** – We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations
- **Compassion** – We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others
- **Creativity** – We learn, think and act differently, and are innovative and resilient in an ever-changing world

Our beliefs are:

- Through diversity we ignite dynamic innovation
- Collaboration helps achieve greater impact
- Everyone matters
- We are all leaders in our individual and collective ways – we are all change makers!
- Learning is more effective if it is fun, engaging and creative
- Building on people's strengths creates greater resilience

Our strategic goals:

- Goal 1: Transforming Leadership
- Goal 2: Strengthening Resilience
- Goal 3: Increasing Collaboration

Learning differently
Thinking differently
Acting differently

