# Rolling Out Core Values Into The Organization

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## Values and Organizations

Values have always been important for organizations, but it has only been in the last decade that they have become important topics for organizational leaders to address. As competitive advantage became associated with a less controlling management style and organizations worked to empower more of their people, an important question was: What keeps people behaving in a way that supports the goals of the enterprise? Any thinking person would ask, "Will they accept responsibility?" Empowering people who avoid responsibility is a good strategy for failure. One important answer was: Their behavior is significantly controlled by the code of acceptable behavior which governs their work lives—their code of ethics. This has popularly been called "organizational values." The relevant definition in The American Heritage Dictionary is: "Value...4. A principle, standard, or quality considered worthwhile or desirable." They are organizational values because they are shared by large numbers of people in the organization.

The fact that values are a "principle or standard" suggests they go beyond current desired pleasures, such as having a drink or quarterly profits. Indeed Collins and Porras in their book *Built To Last* (1994) found that values contribute not only to success, but long-term survival. There are many shared values in any group and knowing which are the most important or fundamental is necessary to diminish confusion. A work group may value: getting to work on time; being cheerful; accepting responsibility ("If you see a problem you own it."); and being nice. All of those can be part of a more fundamental value, such as dedication to quality client service. If you accept that basic value, the others follow, and you know when to make exceptions for some. For example, it may not be useful to be cheerful when you find a serious quality problem. Those few fundamental values in organizations have been labeled "core values."

In their book, Collins and Porras defined core values as "the organization's essential and enduring tenets, not to be compromised for financial gain or short-term expediency." They called the unusually successful companies that survived longer than 50 years "visionary;" and for them "a visionary company almost religiously preserves its core ideology...." This study and others have made core values an important concern of leaders addressing requirements for enduring success in these complex times.

**The Challenge**

There is a very understandable belief among business leaders and professionals that you deal with values as you do other organizational initiatives: define them, and then "roll them out" into the organization. Unfortunately that isn't the way it works with values. First, you find out what the core values really are, not what leaders believe they should be. (Collins and Porras: "You do not 'create' or 'set' core ideology. You discover core ideology. You get at it by looking inside. It has to be authentic. You can't fake an ideology. Nor can you just intellectualize it. Core values and purpose must be passionately held on a gut level, else they are not core.") After the leaders identify the values, they carefully decide how they need to be changed. Finally, core values are not "rolled out," they are lived and acted

upon — by the leadership first and most consistently.

Leaders must wrestle with core values, because adequate values are demanding in terms of the complex ways they interact and in terms of the behavior they require. If values are easy, they aren't good enough. When the leaders have wrestled with the core values they want and then completely live them, the subordinates' behavior will follow.
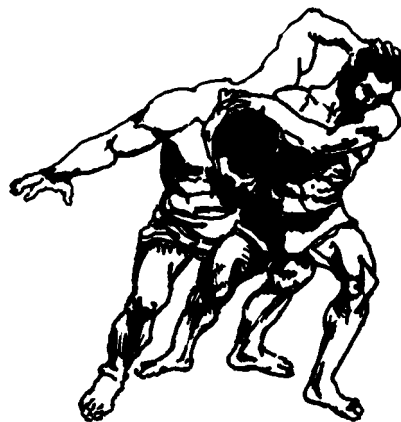


What surprises many managers is that values are not as difficult to change as they have been led to believe, particularly in groups. For example, if you take a young man from the Bible belt in western Kansas and put him into an Army unit in France, most of the time he will take on the values of the group and behave in ways he would never behave in western Kansas. But, back in Kansas, he returns to his old values as if there had been

no hiatus.  The same thing happens when another person leaves home and joins a fraternity in college.  He most often takes on the values of the group in a short time.  On the other hand, values change in many organizations without anybody saying anything about it.  That is because it is the behavior that conveys so much meaning.  So the questions are:  "Why are values so hard for leaders to change in organizations?  Why don't they change quickly, if indeed values can be changed?"

**The Hard Work Is With The Leaders**

When values don't change it is always a problem of the leaders.  The values in the group are not changing in the direction the leaders say they want, because the leaders are conflicted about what the values really mean in action!  That is where the difficulty comes—getting the leaders to act consistently according to the values they espouse.  One example of how you must take risk and put yourself out for values was told to me by a client.  He casually told the story of driving through the Rockies in an area where the forest had been burned out recently.  The driver in the car in front of him threw a lit cigarette out of the window.  My client followed the car until it stopped.  Then he confronted the person about throwing the lit cigarette out in such an area.  It is with such behavior, where one stands up for his belief, despite feelings of embarrassment, fear, and all the possible rationalizations for not taking action, that you lead a group to new values.

When leaders don't consistently take action on values, it confuses the group members and they realistically question if the leaders truly want those values.  When leaders let small things slide, values don't change.  That, of course, is the problem with changing prejudice.  The leaders may take very aggressive stands on the big issues.  But it is the small issues and informal discussions with friends where prejudice is reinforced and values do not change.  God and the devil are both in the details.

The stakes are raised for the leaders' behavior even more by the magnifying effect as

you move down the organizational hierarchy. If the leaders have only small gaps between their behavior and values, the level immediately below them will have a larger gap; two levels below there is an even larger gap; etc.. This is similar to the problem when there is a small conflict between two leaders that is not adequately managed. In the level below them, the conflict becomes more intense, and for each level below the problem expands. Thus the magnifying effect in the organization means that the leaders must address the small details or the values will not become a reality in the organization.

Values are not only concerned with what you do, but how you do what you do. How you talk to a subordinate about accomplishing the task communicates values. This raises another challenge for leaders: They will fail when they are more concerned about form than substance. When they are more concerned about standing up for the values than for appearances, then the values will become embedded in the organization. This is similar to the parent who is either hollering at or spanking a misbehaving child in a store or restaurant. The parent is torn between whether he or she wants to correct the child's behavior or shop or eat. If s/he mostly wants to shop or eat, s/he will simply scold the child, threaten, and maybe swat him. The child is already making noise. Once he is spanked, he will make even more noise.

If the parent is more concerned about changing the child's behavior than shopping or eating, the parent simply picks the child up, goes outside, and talks about the child's behavior until the child is ready to improve. This is done in a private setting where there are no witnesses to observe either the child or parent, so neither gets the pleasure of putting on a show or embarrassing the other. This only needs to take place a few times before the parent can eat or shop enjoyably with the



child. In the meantime, however, the parent has to be willing to let his or her escargot get cold and the martini get warm, or maybe not even eat what has been ordered.

As with being a parent, a leader in the organization has to know what his priorities are. With values, the priorities relate to the long term, not the short term. Thus, the parent is more concerned about his or her

child's future than the food he or she is currently eating. Most ethical codes have a statement something likes this: "And the sins of the fathers shall be visited upon the sons." When I was a son, I thought that was unfair. Then I understood: it is the point of ethics. Ethics deal with issues that affect the long term or the next generation. If we pollute the earth, it does not cause us problems; it causes our children problems. The reason why core values are important is because they affect long-term survival and qualities in organizations. You make a short-term sacrifice for your core values because you desire the longer term good.

## Rewarding And Difficult Work

Making our values real can be one of the toughest and most rewarding things we do in management. It is rewarding because we can gain a sense of pride, power, and integrity. But if it is done right, it is also tough for a leader. It is tough because we discover ways we are not true to our espoused ideals. To consistently live our values, we have to see where we have inadvertently acted in ways inconsistent with those values. For example, one person may not confront a subordinate upon whom he is very dependent at the moment. Another person may be unwilling to risk the short-term gain in the numbers for the long-term promise of reinforcing the values. It is like the parent who has to choose between the delicious looking appetizer and the need of the child to be appropriately disciplined at the moment.

None of us is perfect, and even most leaders can admit that. If that is so, then there are places where we all can improve. That means there are places where we have failed to adequately live our values. The word for people who fail in terms of values is "sinners." All of us are sinners. One is reminded of the story of Jesus who said, "Ye who have not sinned, cast the first stone." It points out that when we work on values, we all have to be willing to see where we have failed, which is the flip side of where we can improve. That is easy to say. It is difficult to live, but it is gratifying to know we have faced our own personal demons.

## The Demons



There are some enemies of effectiveness when it comes to the work of living our values so people who look to us as leaders take on those values. The first and most

common enemy is ignorance of the problems. If we don't know there are problems to address, then we feel comfortable, but don't make corrections. It is very easy to be ignorant of problems in ourselves so we don't see our own inconsistencies. We may also be ignorant of problems we have with others; for example, if we only see inconsistencies in another we miss the areas where they have something to teach us. Since leaders are competent, reality-oriented people, what could make them ignorant?

What makes us ignorant of the problems is our own defenses. Thus, defensiveness is the second personal demon we must face. One broad category of defensiveness is avoidance of the issues. We may avoid the issues by talking about values only in abstractions. Then we talk about them in very grand terms but never get specific about what concrete execution means. Or we may talk about the need to start a process of working on these unfamiliar challenges, but never schedule the meetings or start with the consultant. There is also avoidance when a group of leaders talks about things outside the room and not about themselves in the here-and-now. A third common way of avoiding needed but discomforting information is to talk about events in the past or distant future instead of current problems. Another common defense is to attack others. "They (subordinates, the competition, or other leaders) are bad and don't deserve our best effort." A subtle common defense is to attack

one's self: "I'm so awful I never do anything right." Then the person focuses on generalizations and self-flagellation instead of the specifics he needs to change.

The point of defensiveness raises the question of "defending against what?"

At the most fundamental level, the individuals defend against being overwhelmed by their feelings. If we truly deal with our own failures in living our values, we will be confronted with strong feelings of shame, guilt, anger, and fear. When we feel unable to manage such feelings, we become defensive. If we are working on values and don't experience any such feelings we know we are being defensive. We also defend ourselves against others' emotional responses. The other leaders with whom we work may blame, overgeneralize, withdraw, or attack for emotional reasons.

**Working On The Problem Of Living Chosen Core Values**

What is required of a group of leaders who want to wrestle with the problem of making espoused values a reality? First, they need to know their own vulnerabilities. All the other work of living values so they become embedded in an organization depends upon this. If a leader is vulnerable to seeing problems in others but not in himself, he needs to know it. If another leader is vulnerable to seeing

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**Working To Live Chosen Core Values**

Know your own vulnerabilities

Open, candid, problem-oriented discussions

- Manage the feelings
- How individuals have applied the values in the work setting
- Give and get feedback
- Conflicts within the values

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problems in herself but not in others she needs to know it. The leader who gets confused without significant structure needs to be aware of this vulnerability, for feelings and values tend to be ambiguous or embedded within ambiguous transactions. As we already said, it is the small, subtle aspects of the application of values that makes the difference.

We need to know our own vulnerabilities to adequately participate in the second part of the work: open, candid, problem-oriented discussions. The discussions need to be about specific behaviors, feelings, and interactions. There also needs to be a non-moralistic tone to these discussions. Yes, one can talk seriously about moral issues without being moralistic. When discussing values and ethics, it is very easy to become moralistic. A moralistic tone, however, makes people more defensive so they do not analyze, understand, and then change.

To have such open discussions, the participants must manage the feelings involved. This is first accomplished by understanding that feelings are data about human needs. They are neither the bane nor the goal of human intellectual work. The data must be unearthed and used to make more realistic judgments. Once we have developed a realistic perspective about feelings, then we must perceive them. It is most important to be able to perceive feelings in one's self even before perceiving them in others. Once they are perceived, then they need to be named. It is not necessary to speak outloud; it can be to one's self—"Embarrassed, I am feeling embarrassed." Once they are named, then they must be analyzed to discover what they mean. If the feelings become so intense that we get caught in feedback loops of the feelings provoking thoughts that further provoke the same feelings, then we need a cooling off period so we can come back to the work of analyzing and understanding what the feelings mean.

**Managing Feelings**

- See Feelings As Data
- Perceive Them
- Name Them
- Analyze Them
- Cooling Off Period
- Avoid Blaming

A good way to begin discussions on how the values are, or are not lived is with examples of how individuals have applied the values in the work setting. Since we are not competing, but trying to find where we can improve we don't start with, "I applied value (x) in this brilliant way!" Instead, we talk about how others in the group have expressed the values. Define, share, and analyze good examples where the values were at work in someone else's actions.

After discussing good examples, the group should be ready to give and get feedback on how individuals have not lived the values. The leadership group must develop a psychological contract to make such discussions constructive or they can deteriorate into mutual blaming and escalation of feelings of shame or anger. This is always a possibility because discussing how people live their values will touch on topics that cause shame. While you can never completely abolish blaming, you can agree

that it is something to avoid. Such discussions are to help each other with his or her blind spots and to appreciate the nuances of the meanings of the values.

Another topic that requires frequent discussion is the conflicts within the values themselves. Because values are created by human beings, they will be imperfect. If you have two or more values there will be some point where they will conflict with one another. It is not difficult to make an ethical decision when you must choose between good and bad. The real challenge comes when you must choose between two goods or two bads. These conflicts must be examined, analyzed and understood. Understanding the conflicts contained in one's important values helps with the challenge of consistently living our values. It also helps us to not be so moralistic when we see inconsistencies in others.

**Living Instead of Rolling Out Values**

Values are incorporated into an organization's culture as important people live them consistently and clearly. If the formal leaders are inconsistent and tentative their people will take on the values of other strong personalities in the organization. The process relies upon living examples, not traditional communication programs. Leaders are simply people in positions of leadership, however. So they must contend

with their normal human inclination to defend against seeing their role in the problem and then either believe values can't be changed or can be simply "rolled out."