



Head & Heart is a collection of ideas, resources and frameworks to support your personal and professional development in leading yourself, others and organizations with head and heart.

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From the Editor

Dear Readers,

Values are like having good health. When we're not healthy, we feel it and it hurts. Likewise, trying to communicate, engage and create collaborative outcomes when people aren't connected to shared values hurts, and often translates into superficial cooperation, lackluster performance and a personal feeling of "I'd like to be somewhere else."

Values based leadership supports our ability to make authentic decisions that build trust and commitment with employees and customers. In the uncertain and turbulent times ahead, it's value based dialogs not cost cutting talks that will stimulate exceptional performance.

We never know the worth of water until the well is dry, someone once said to me. It's our role as leaders to ensure the "well of shared values" never runs dry.

Dan Norenberg

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Thought Leadership

Values Based Leadership

"Knowing that what's underneath will hold you and help you rise to victory is the essence of confidence."

Rosabeth Moss Kanter

Economic times are tough right now and the challenge for all of us, especially leaders, is to deal with the inevitable arousal of negative emotions. Whilst we may not be able to control our circumstances as much as we would like, we can control how we respond to them. We can choose not to be tempted to behave like "a loser." By looking positively at the assets of our own values, we can realize strengths that we can cultivate. As leaders, by being positive about others, we are more likely to help them retain their confidence and come through. By viewing positively the opportunities that this, as indeed any, situation provides, we are all the more likely to find that our actions make a positive difference.

Our values are the foundations of our confidence. We behave in accordance with what we believe. Our business values need to express the foundations of individual confidence of everyone involved. When this happens, we see individuals boosted to achieve new possibilities for success - to "walk on water." To walk across the water, every person needs the stones to make it possible. These stones are our individual and shared values.

Jim Collins' research shows that values-driven companies are the most successful on the planet. In these com-

panies, there is a dynamic and consistent connection of values between leader and follower, between present and future. When the values link is broken, talent and confidence begin to fade.

I was working with a Chief Executive recently who was reviewing the actions necessary to deal with the economic downturn. The business would need to be run in a more aligned way, reducing significant overhead cost. The immediate consequence of this change in structure would be that the strong values of accountability, authenticity and freedom of expression, currently held throughout the organization, would appear to be compromised at a stroke by perceived centralization. Individuals could lose their strong sense of personal and collective confidence built up through the consistent application of these values during the past seven years.

The solution was to promote the existing values into the new structure. The Chief Executive had become acutely aware of his own value stones, of what lay beneath his business success and how critical it now was to communicate and sustain these values in his leadership of change.

Ed Norman

Leading Self

Finding Value in Your Values

"How different our lives are when we really know what is deeply important to us, and, keeping that picture in mind, we manage ourselves each day to be and to know what really matters most."

Stephen Covey

Do you know what your top three personal values are? Could you name them right now and give examples of how these values show in your behavior? Even if you could, so what?

I don't know the percentage of people knowing their personal values. I suspect the number is low. This is no criticism and doesn't imply that they don't **have** deeply held values, but simply that they are not **aware** of them. Creating this awareness involves engaging our thoughts and feelings at a deep level. In everyday business, there are always tasks which seem more important and urgent than dealing with fuzzy questions like: "What are my values? What do I stand for?" But what price do we pay for this lack of awareness?

Firstly, by not knowing concretely what we stand for we can be easily influenced by others. When we hear a vague, doubting whisper in the back of our head asking whether we should really take the course of action being suggested, the whisper is easily silenced if we cannot identify **why** we hear it.

Secondly, we are in danger of being inconsistent in our decisions and behavior. For a leader however, consistency is a cornerstone of winning your team's trust.

Thirdly, awareness of the personal values of each individual is a prerequisite for a group to have an authentic

and robust dialog to answer the question "What do **WE** stand for?" The answer allows people to align personal values and behavior with organizational values. This is immensely important in shaping a consistent organizational culture.

Lastly, without this awareness, how can we have an emotional connection to what we do? Values can never be proven to be right or wrong for proof is only rational. We **feel** our values at a deep emotional level and acting in harmony with our values brings an intense emotional connection to what we do.

What can you do to increase your awareness of your values? Try approaching them through the back door. Imagine you are granted a six months sabbatical without any contact to your company. Write a memo to your colleagues stating how you think they should behave and interact with customers and each other in your absence. Read what you have written and ask yourself: "What values do I see here?" The next

step is asking: "How do people see these values in my behavior? Could I display them even more?"

Doing this will support you in knowing what you stand for, having the courage to stand up for it and increasing your emotional connection to work by acting in a way that you **think and feel** is right.

Michael Couch

Point of View

The Role of Values

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

Roy Disney

Most leaders, in my experience, would say that their prime role is to make decisions. The quote would leave many puzzled. Most people I work with are not readily able to say what their values are and what part they play in leadership, but are very clear about the need for decision making.

I don't think the linkage between decision making and values would be immediately obvious. If we regard our values as the essence of who we are as human beings, many leaders would ask "Are they really that important?"

Peter Cohan has seven principles of driving value in any economy. Do we see very much there to do with personal values?

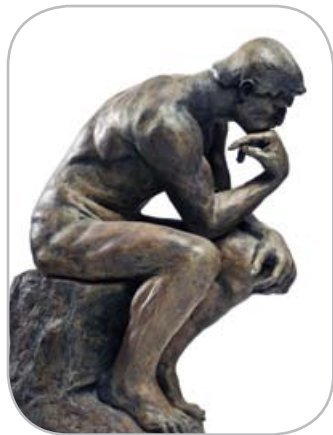
- Value Human Relationships
- Foster Teamwork
- Experiment Frugally
- Fulfil Your Commitments
- Fight Complacency
- Win Through Marketing Strategy
- Give to Your Community

Kouzes & Posner say that to be a credible leader, you must "Clarify Your Values" and "Express Yourself." Values act as your guide.

Richard Barrett tells us that our values are the anchor we use to make decisions so we can "weather the storm." They keep us aligned with our true self and the future we want to create.

How you choose to interpret the ideas expressed here, will depend very much on your point of view.

Ed Norman



Word Watch

Value

The word "value" comes to us from the Latin verb *valere* – meaning "to be worth."

What the word means in modern English depends on whom you ask. In the dictionary, I was astonished to find 15 different examples of disciplines which use the word ranging from music to mathematics to finance to sociology. Yet, they use it to mean different things.

Could this be a metaphor for what we see happening in the current economic situation? If it is so difficult to agree on what the word "value" means, think of how difficult it will be to answer the question "What are our organization's values? What do we stand for? What is worth striving for? Sacrificing for? What things do we **not** do?"

As a part of my work with leaders, I deal with those questions. Even if the company has published values, we look at what people in the organization and the leaders themselves are choosing to do and choosing not to do and ask "What values are behind that?"

Many leaders are initially reluctant to engage in this dialog yet find it ultimately liberating and inspiring to see how aligned they are with their colleagues.

I believe the key lies in engaging in a values dialog rather than a values debate. A dialog encourages sharing and appreciation and unifies people. A debate can lead to an endless "this-value-is-better-than-that-one" circle.

When was the last time you and your colleagues had a values dialog?

Michael Couch

Leading Others

A Tale of Two Leaders

A leader's values, practices and personality are key drivers of corporate culture and, ultimately, business results.

Leaders whose core values are the model for their daily leadership behavior often have a huge, positive impact on the organizations that they lead.

Take the example of Jack Welch who is well-known for his success at GE. While he was CEO, its market value soared from \$12bn in 1981 to a massive \$284bn in 1998 and beyond. What is less known is how he did it. Welch was demanding, determined, direct, often sarcastic, volatile and energetic. This translated into an approach which tended towards micro-management, ruthlessly punished poor performance and rewarded good performance.

His master stroke was to consistently and continually keep in touch with his top executives through personal reviews and with the larger leadership pool through his commitment to working at GE's learning center. This exposed him directly to around 15,000 top leaders, and vice-versa. The high frequency personal contact was a big step to ensuring he cascaded the leadership values throughout GE – with considerable success!

Now consider W.L. Gore: like GE, a strong performer in revenue growth, but a company whose leader's values and organizational values are worlds apart from GE. W.L. Gore was founded by Bill Gore who, although he died in 1986, left a clear imprint on W.L. Gore's values.

Top of the tree are four values: fairness, freedom to innovate, commitment and responsible decision-making. These are directly connected into four guiding principles: try to be fair, use freedom to grow, keep commitments and consult with others before taking a decision that impacts the finances or reputation of the company. They work because the culture shuns bureaucracy, encourages informality, has many units with no more than 200 people at them (so everyone knows everyone else) and promotes real empowerment. People are used to thinking creatively, experimenting and coming up with profitable ideas.

And even though these leaders are long gone, both companies continue to increase revenue.

The point is that self-awareness of your leadership values – a strong sense of who you and the organization are and what you stand for – is a critical success factor. The beauty is that different values can still create exceptional results. For GE and Jack Welch, it was the individualistic, competition amongst managers, perform or get out approach; for W.L. Gore, a fairness, shared rewards approach.

When leaders live by their values, it permeates the work life and behaviors of everyone they lead.

Steven Hunt



Leading Organizations

Creating a Values Driven Organization

"If you want to grow into a human being, you're going to need some values."

*Stanley Ann Dunham
(mother of Barack Obama)*

Obama's mother was right on the mark with her advice to young Barack, now US President 44. Values not only influence the quality of our experiences, they serve as a moral compass in nearly everything we do.

But why incorporate values into business? First of all, as far as your company is concerned it could literally be a matter of life and death. While most fortune 500 companies have an average life span of 40 to 50 years, others live well beyond 200 years, results show from the now famous study done by Arie de Gues at Shell. What accounts for the difference? De Gues postulates in part it depends on how you look at and engage with your company: as a living thing or a machine for making money?



Company values are vital to something that lives, that sustains itself and ensures that those who join along the way are part of something more than just a machine for making money.

Secondly, effective leaders realize their success depends on the people they lead, and that their people are driven by core values just as much as they are themselves. Leaders who highlight the importance of values help others redefine themselves with mem-

bership to a larger group. It's what I call the "unity dimension;" this occurs when people form a deep connection to a common set of values. This leads to an engaging group spirit, a collaborative climate and teamwork vital to superior performance.

Lastly, and most importantly, without an active and engaging set of company values that really live in the company, organizations lack the moral compass to manage difficult and complex company decisions and ethical surprises that occur. The Sarbanes-Oxley act, designed to legislate guidelines and procedures so companies stay on the right side of the law, have been pitifully ineffective as countless stories of irresponsibility, fraud, ponzi schemes and unethical acts become the rule rather than the exception in corporate business.

For pragmatic ideas to ensure that your company values are living and serving your employees and customers, visit the link below. After all, it could be a matter of life and death.

Dan Norenberg

http://www.nvision-learning.com/leadersedge_toolkit.php

Food for Thought

"Values are not luxuries, but necessities - not the salt in our bread, but the bread itself."

*Jimmy Carter,
former US President*

Leadership Facts and Figures

Ethical behavior is a core component of company activities. Of the 89 percent of surveyed companies that have a written corporate values statement, 90 percent specify ethical conduct as a principle.

Further, 81 percent believe their management practices encourage ethical behavior among staff. Eighty-five percent of the respondents say their companies rely on explicit CEO support to reinforce values, and 77 percent say such support is one of the "most effective" practices for reinforcing the company's ability to act on its values.

The Value of Corporate Values
strategy + business,
Booz & Company, 2005

Challenging Situations?

What challenging situation would you like us to deal with in a future issue of Head & Heart? Get our perspective.

Send us an e-mail at:
headandheart@nvision-learning.com

We will of course ensure that your challenging situation remains anonymous.