



Organizational Values in Ten

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John O. Burdett





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“Values aren’t rules. Values give people permission to act.”

In turbulent times there are two questions that the top team must ask. One: are we operating from the right business model?¹ Two: is it time to review our organizational values?

Something like 80% of Fortune 500 companies claim to have values. However, that 80% can be divided into three camps: a third have values that aren’t really values; a further third have values that are little more than window dressing for the website; and a final third fall into the category of having authentic and relevant values that people are fully committed to.



¹ The business model addresses two key issues. One; is what we are doing today aligned with what tomorrow’s customer wants to buy and how they want to buy it? Two: does the way we operate attract and retain top talent?



Establishing the field of play

Because a typical business may only revisit the organization's values every decade or so, the seemingly effective approach is to bring in an external consulting firm. All well and good, but how do you engage the right provider? Many will answer the call, but few are really qualified. Having worked on organizational culture with some of the world's largest organizations, the ten "principles" that follow represent our cumulative learning:

1. Culture is a system.² Values are but one – albeit central – aspect of the organization's culture. Attempts to rewrite the organization's values without: (1) asking do we have the right business model? and (2) undertaking a robust measure of the culture we have and the culture we need³ – is to venture forth on a difficult journey without agreeing on a destination. Not a good idea!
2. Leaders must lead! Values are the CEO's prerogative.⁴ The organization's values are one of the few ways that the CEO and extended top team can grab hold of and shape behaviour across the organization. It's a mistake, therefore, to throw out a wide net and ask people within the organization what they think the organization's values should be. Ask different teams across the business to validate and fine-tune the suggested organizational values but don't let the herd decide. If you do, your values will: (i) look like everybody else's; (ii) lack a strategic orientation; and (iii) be devoid of the authorship and, with it, the total commitment needed from the top team.
3. Values aren't rules. Values give people permission to act. If the values are crafted meaningfully, individuals and teams across the organization make decisions as if the founder/CEO were in the room. The absence of values – or values that people don't believe in – creates the need for more rules. Rules put agility in handcuffs. A values vacuum also make trust building, self-management and speed of thought/action what the competition are good at.
4. Don't confuse personal values with organizational values. Personal values are how people choose to live their life. Organizational values represent what has primacy in decision-making within the business. A better way to describe organizational values is "guiding principles." Clearly you don't want people's personal values and the organization's values to clash. Meanwhile, although it makes sense in a

2 Changing part of a system without understanding how everything else is impacted is to run the real risk of creating unwanted consequences.

3 Especially the latter.

4 With the Board of Directors, of necessity, taking greater interest in organizational culture, the CEO cannot afford to delegate the organization's values – even to the HR function. HR can bring expertise to the table and help facilitate the way forward, but in the words of Harry Truman, "The buck stops here."



homogeneous culture like Finland, in a multicultural country, e.g., Canada, the quest for a high degree of alignment between personal and organizational values is a bridge too far.

5. Values aren't always values. What is stated as being a "corporate value" – meritorious though it might be – often amounts to a common business practice. "Integrity" for example, isn't a value. The test of a meaningful organizational value? "Does this behaviour, in some way, separate us from the competition?" To be the best you have to be better than all the rest. Values that don't drive the difference that makes a difference represent a lost opportunity.
6. More is less. Four or five values are the most that individuals/teams can process at the same time. Limiting the number of values also enables the needed synergy between the values to be fully recognised. Meanwhile, every organization is different and their values must reflect that uniqueness. In drawing out the values, a good place to start is to think (selectively) about the need for the following: (i) an organizational value that connects with the organization's purpose;⁵ (ii) a value that speaks to the



⁵ "Creating a culture of warmth and belonging, where everyone is welcome." Starbucks.



“emerging” customer;⁶ (iii) in an era of “soft quitting,” a value that is employee-oriented;⁷ (iv) recognising that tomorrow’s organization will be a team of teams, a value that either emphasises “teamwork” itself, or drives a key capability into the organization that is a derivative of teamwork, e.g., collaboration;⁸ and (v) very common – a value that focuses on social responsibility and/or the environment. In a truly fast moving business sector, an aspirational value (what we are striving to be) can have merit.⁹ There might also be worth in considering an organization value to “protect” a long held and unique capability.¹⁰ Amongst the agreed values there is, more often than not, an “anchor value” – an essential behaviour that transcends everything else the organization does. Patagonia, for example, an organization that attracts tens of thousands of would be employees every year has one overriding organization value: “Protect our home planet.” Their other four values are important but subservient to Protect our home planet.

7. Transparency is essential. Flexibility no less so. Don’t assume that the organization’s values will, necessarily, mean the same thing, in the same way in every corner of the organization. In a multinational organization, country values and/or local customs, inevitably, bleed into what is and what isn’t appropriate behaviour. Local leaders must, thus, be able – to a degree – to interpret the values such that they make sense in the local environment. Desirable as “inclusion” may be, Saudi Arabia is not South Carolina.
8. No pain, no gain! Our species are, literally, copying machines. What those at the top do is far more important than anything they may say. The higher the executive is in the hierarchy, the more assiduously people will adopt that executive’s perceived behaviour. And, of course, the CEO throws a very large shadow across every part of the organization. The test of the organization’s values is, thus, what happens when someone in a key role – regardless of results – isn’t living (emphasising in everything that they do) the organization’s values.¹¹ If not challenged, if the inappropriate behaviour continues and the individual is not separated from the organization, in essence, you have no values. One of the benchmarks of a great team is that if – even if it’s only a nuanced hint – the way forward is misaligned with the organization’s values, an immediate push back can be assumed.

6 “Commit to excellence.” Mercedes Benz.

7 “Growing roles into careers.” Apple.

8 As with all organizational values, expressed as an action.

9 “To create the most compelling car company of the 21st century.” Tesla.

10 “Storytelling.” Disney.

11 Leaders who don’t live the values with every breath they make, with every move they make, take the Sting out of the values.



9. Relevant and action oriented. Values should be: (1) relevant to as many people in the organization as possible; and (2) written using action oriented language. “Innovation,” for example, is a not uncommon organizational value. The dilemma? Relatively few roles in the organization can practice (big I) Innovation. The way forward? Innovation framed as both relevant to the many and as captured as an action might well be expressed as, “Challenging the status quo is expected.”

10. Language is everything. It must be recognised that the framework and language used to describe the organization’s values twenty years ago is no longer appropriate. In the past, “quality” referred exclusively to the product or service. Those entering the workforce today will expect that it also means “quality of work life.” Similarly, “safety” was largely about avoiding the risk of personal injury. The employees you most want to keep today, will expect it to also embrace “psychological safety.”

Make the change contagious

Keep it simple. Delegate the nuts and bolts of implementation by all means but keep overall design and the big picture in house. Move quickly. Delay invites cynicism.





Measure twice... cut once. Once the boat has left the shore you can't call it back. Take it as a given, the more complex the process, the more moving parts there are, the more difficult to implement the end product will be.

It's no good buying a car if you don't know how to drive it. Implementation is applying the glue that makes the values "sticky." It's enabling key executives to get their "values driving license." Every situation is different, but our experience endorses that successful implementation might well involve the following:

- i. Talent is a gift, character is a choice. We explore the world through metaphors and learn through stories. Experiential learning built around the right metaphor can move people into the emotional space needed for them to be open to transformational change
- ii. Context enables content. It's impossible to separate the organization's values from a wider understanding of the culture the organization is seeking (needs) to create. Over the longer term, implementation that doesn't address the wider culture challenge will lack traction. Meanwhile, you can't manage what you don't measure.¹²
- iii. The new values must become an enshrined habit. Somewhere in the implementation equation the values have to go from being abstract and largely symbolic to a deep understanding of what they mean in practice. How is the performance management approach impacted? In what ways do the values shape the talent acquisition process? How do the values influence the messaging across the informal organization? How do the values redefine business development, influence succession, and the growth and development of middle managers? Prepare the ground. Fan the flames of early success. Nurture the early green shoots. And the single most effective weapon in a leader's arsenal? Catching people doing it right.
- iv. Leaders are dreamers with a deadline. Being truly "values driven" redefines, for many of those in key roles, what it means to be a leader. To wit, it follows that implementation is found wanting if "What do people need from a leader?" is given short shrift. A shared coaching model is assumed.
- v. The only truly sustainable competitive advantage is how quickly the organization learns. Work with, not against the grain. If it doesn't exist in some places some

¹² "Commit to excellence." Mercedes Benz. Measurement should involve the customer, the top team and a cross section of the organization. Input from key figures in the capital markets is also invaluable.



of the time, it's very difficult to create it. Implementation, thus, means sharing best practice (internal and external). Excellence in storytelling comes to the fore.

- vi. Without trust, you ain't got much. The team is the basic building block of organizational change. Implementation, thus, explores the question, "What is a great team?" In pursuit of this goal, it follows that the team make it a common practice to regularly step back and measure team effectiveness. Always keeping in mind – the leader works for the team,
- vii. The most powerful word in the leadership lexicon? "Imagine." The biggest implementation challenge isn't getting initial buy-in to the revised values; it's changing the way people, both within the formal and the informal organization, think about what it means to be successful. Implementation, of necessity, therefore, must explore how to work at the level of mindset.

Conclusion

Finally, an inspiring thought from the late Steve Jobs. As the largest shareholder – at the conclusion of his first Board meeting with Disney – Jobs was asked for his thoughts. As he walked out, having said nothing during the meeting itself, he provided an emphatic, two word response, "Dream bigger." As you retool your organization's values – **Dream bigger!**





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rules. Values
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- J. O. Burdett

JOHN O. BURDETT has worked in over 40 countries as an executive and as a consultant for businesses that are household names. He continues to work on leadership development and organization culture for some of the world’s largest corporations.

In 2019, his work with ABB’s top 240 executives received a major international award for the most innovative leadership development initiative of that year. His ongoing partnership with TRANSEARCH International means that his proprietary work on talent acquisition, in any one year, successfully supports many hundreds of top leadership appointments on six continents.

He has written extensively on executive coaching and was awarded international coach of the year by the Finnish Institute of International Trade. Business graduates at the University of Texas indicated that his material on coaching was the single most valuable learning source they took away from their undergraduate degree. He has also coached

numerous executive teams around the world in how to coach. He currently coaches a select group of CEOs.

Apart from a range of corporate leadership workshops, he has taught at business schools on both sides of the Atlantic. His work on the MBA program at the University of Toronto received a teaching excellence award. John holds a doctorate in management development and is a Fellow of the Chartered Institute of Personnel and Development.

In addition to numerous business articles and twice being awarded article of the year by MCB publications, he has published 16 books on leadership, talent management, coaching and organization culture. A number of them bestsellers. His Leadership Beyond Crisis Series came out in 2021. In 2022, in addition to a number of leading-edge articles, he brought out a fully revised version of his international bestselling book on executive integration: *Without Breaking Stride*.

