

Whose Values Are Shaping Your Organization's Culture?

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Mixed Messages

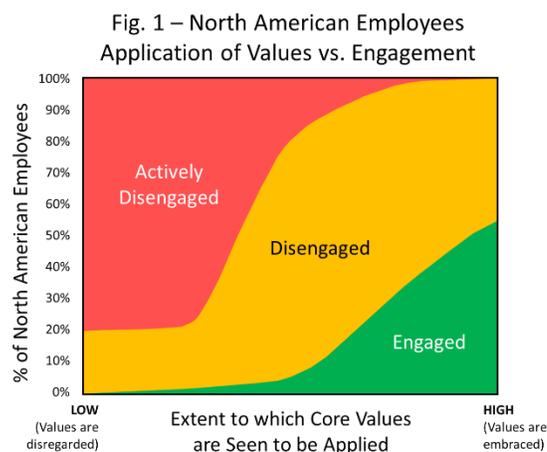
The values which organizations claim to espouse bear little relationship to those experienced by their constituents. This emerges from research conducted by Consilient Inc. in 2014. An examination of the core values and codes of conduct of 225 major organizations showed that Integrity, Innovation, Respect, Teamwork and Quality were the most frequently claimed values. No surprises there.

However, a subsequent survey of North American employees and customers produced a very different picture, pointing to a significant disconnect between claim and practice¹. The values that organizations are most often perceived to embrace are Compliance, Confidentiality, Safety, Security and Wealth creation. Conversely, the values that are most often thought to be *disregarded* are Openness, Employee empowerment, Gratitude, Caring for employees and Humility.

Putting it another way, organizations are predominantly seen to be about following the rules and making money, while their stakeholders – employees in particular – are left to play second fiddle. A far cry from the high-minded values that major organizations claim to espouse.

The study provides further compelling evidence that such differing views of the values claimed by organizations versus those experienced by employees and customers fuels dissonance amongst these key stakeholders,

and leads to higher levels of disengagement and churn (Fig. 1).



To Be Effective, Values Need to Be Embedded in the Culture

In their analysis of the Lehman Brothers Code of Ethics, Stevens and Buechler² point out that for values to be effective they must not only be communicated to all employees but must also be integrated into the organization's culture.

In many organizations, the communication step is seen as the end of the process, and then it's back to business as usual. Such organizations invariably end up with two or more sets of values: those claimed to be their core values, and those actually followed by members of the organization – much like the aggregated picture emerging from the study described above. Clearly, these organizations should not

expect to derive any benefit from their claimed values. In fact, professing a set of core values that everyone knows is no more than window-dressing is more likely to damage employee engagement than improve it.

To embed values in the culture, leaders have to be seen to act in accordance with those values – something that inevitably requires difficult decisions to be taken. This is where management’s resolve is tested and, sadly, many leaders fail this test.

Although values-related failures are not always as spectacular as the ones that played out at Lehman Brothers or Enron, they can still cause serious harm to an organization by reducing productivity, increasing staff turnover and denting customer satisfaction and loyalty.

Are Your Organization’s Core Values Embedded in the Culture?

The obvious way to gauge how well your organization’s core values are embedded in the culture is to ask your employees. How you do this, though, has a strong bearing on the usefulness of the answers you receive. Simply asking them to recite the organization’s values has little merit other than testing their memory, or worse, their ability to Google the answer!

A far better way is to provide them with a list of universal organizational values and ask them to indicate which ones they believe are consistently applied within the organization or, conversely, which ones are routinely disregarded or even violated. This approach has several benefits:

- Uniformity of measurement – employees use a common basis for deciding what values are actually being applied
- Ability to see patterns and draw conclusions – a common language simplifies data aggregation and facilitates analysis
- Benchmarking – a common framework allows for comparisons to be made with other organizations, sectors, regions, etc.

This form of measurement enables you to identify gaps – for example between claimed and actual values or how your organization’s ‘values effectiveness’ stacks up against the sector norm or the industry leader. It also allows you to pinpoint critical blockages or disconnects within the organization. For example, is there a specific region, level or functional area that is out of step?

Making Values Stick

An evaluation process such as this inevitably highlights areas where values are either not embedded, or worse, are actively violated. The vital next step is to follow through with action to address these shortcomings.

When employees observe leaders managing the organization in accordance with the stated values, they start to behave in line with that code themselves and the process enters a virtuous cycle, with adherence to a common system of values bringing about more consistency in decision making, leading to higher levels of confidence, improved engagement and better performance. This is not to say that the process is easy. The decisions that need to be taken are often difficult and may compromise short-term profitability. However there is much evidence indicating that the long-term reward is well worth the effort.

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Consilient Inc. harnesses the power of converging knowledge from diverse data, information and knowledge sources to develop solutions to complex business problems. The Consilient Universal Organizational Values Framework allows companies to measure the extent to which their organizations are effective in embedding their core values into their organizations. The company works in collaboration with a network of specialist partners to effect business transformation. For more information please see: www.consilientinc.com

References:

¹ Source: Consilient Inc. 2014

² Betsy Stevens & Scott Buechler; **An Analysis of the Lehman Brothers Code of Ethics and the Role It Played in the Firm**; Journal of Leadership, Accountability and Ethics vol. 10(1) 2013