Highlights

Someone said in the context of business success "It's the people, stupid." More and more business leaders are beginning to recognize that people are the key to a business's success. The interesting part to this revelation is there should be no surprises. When business leaders create an environment where they hire good people and those people are part of an environment where they can grow and feel part of the business, success is substantially increased. So, the revelation is the first step, but creating the environment is the biggest challenge to business leaders. One approach we firmly believe in is a solid value system. A solid set of common values that all employees can espouse and live to is one of the key ingredients to improving a company's internal environment, but also a way in which a competitive advantage can be achieved.

Common Values the Key to Motivating People

by A. C. Macris

Many complex challenges face businesses in today's highly competitive environment. Perhaps one of the biggest challenges is finding, hiring, and retaining qualified people. Traditional methods of retaining people yield limited success in today's world, particularly when employment levels approach 100%. If an employee becomes unhappy with a specific employment situation, he or she can quite easily find another job with a company that offers more. The interesting thing about "offering more" is that "more" does not necessarily mean more money. In addition to monetary compensation, traditional employers entice their employees with "benefits." A company can also reward those employees that either are high performers or have high potential with bonuses. Once the traditional offers, benefits, and bonuses are made, what's left? It becomes rather obvious that to entice and retain good people, costs can escalate, thereby diminishing the competitive advantage. We suggest that a company whose culture values people and their well being, and runs their company in accordance with values that are common to those of their employees, will hold a true competitive advantage and will retain its employees by maintaining high levels of motivation. Let's take a closer look at this concept by defining what we mean by values and their importance to an organization.

When we speak of values, we mean the following: the fundamental set of beliefs that determine behavior. Values help to describe the culture that the organization is trying to build. Organizations trying to change their culture are attempting to achieve a shared set of values. While these are conceptual statements, we must establish criteria to help us define values. The following criteria are what we use, but we do not suggest that these are an exclusive listing. These criteria can be used as a basis for developing additional ones as appropriate to a specific company or organization. The specific criteria we use are:

- What do we want our customers/suppliers to say about our organization when we are not in the room?
- How do we want our employees to answer the question, "What does it take to be successful around here?"
- What are our organization's priorities in terms of which behavior are rewarded and which are punished?
- As leaders, what can we do that will demonstrate the future state?
- If we were hiring all new employees, what characteristics would we be looking for?

For a value system to work, all must understand the values. That understanding means that values must have a clear definition—why they are important and how the organization will practice the

values in their day-to-day operations. When values are identified, we apply the criteria, and once a value is identified, it is important to define it in a manner unique to their organization. Then once a value is defined specifically to the organization, it is essential that we have a clear indication of why the value is important to the organization. Important here refers to how the value will help the organization achieve future success. I am sure many of the readers have seen their organizations do the above two things and proudly post the values on office walls. Difficulties arise when the actions of the leadership and employees do not show that they practice the values in their interactions with colleagues and others. Therefore, the third component to a viable value system is to clearly establish the expectations of how the leaders and employees of an organization will live their values.

An example of this scheme is provided herein. In this example, we use a value of Constant Improvement. Constant improvement means that every employee continuously looks for ways to improve our products, processes and services as well as ourselves. Those who practice the value realize that remaining competitive often comes not from big leaps but from small improvements over time.

Constant improvement is important to us because change in our world and our industry is more rapid than ever before. We are in a race that never finishes. The only way we can win is to run faster than everyone else, always. To compete and grow we must ensure that we all look for ways to make things better every day, whether those ways include reducing costs, improving service, or enhancing our own skills—the cumulative impact of dozens of improvement efforts every day. Finally, if we practice the value of constant improvement, we will behave as follows:

- We recognize and reward improvement actions.
- Interaction, taking action, and cross-functional teams tackle key improvement opportunities.
- The voice of the internal/external customer is known throughout the entire organization.
- Self and team measurement methods and tools permeate the organization.
- Resources such as time, money, and tools are made available for implementation of continuous improvement.

> Difficulties arise when the actions of the leadership and employees do not show that they practice the values in their interactions with colleagues and others

Why do we believe that a well-defined and implemented value system is important to motivating employees? Let's look at it from a people perspective. We feel it is a fair and rather well known fact that when people go to work for a company, they start with enthusiasm and motivation to do good work and be a well-performing employee. To generalize, perhaps, their enthusiasm and motivation becomes eroded by the culture of the organization. When we say culture that includes many things focused around how people behave and interact amongst them selves; their individual attitudes about the company and its leadership; the leadership's attitudes and behavior with respect to their people and what is accepted and not accepted behavior. Before going further we must address two other issues becoming anachronisms in today's business environment, loyalty and security. In a "me"-focused business environment it is extremely difficult to cultivate loyalty, and security/stability is something that cannot be assured no matter how high in an organization one person sits. For example, one of the most highly volatile positions in any company today is the Chief Executive Officer (CEO). This author believes loyalty is essential to a company's success. Due to the dynamic nature of a global economy fueled by the immediate communication available via the Internet, creating any level of corporate security is much more difficult. Because of all these factors, business leaders need to pursue innovative yet solid ways to keep their people motivated and energetic. A common and shared value system is one innovative yet solid way of creating an organizational culture that motivates employees, fosters healthy behaviors between employees and between management and employees, and stimulates constructive internal competition—combating apathy—thereby establishing a continually improving level of performance.

We repeatedly state that a "Values" poster on office walls is not a common/shared values system. We see companies where the senior leadership decides what the corporate mission and values should be, makes a proclamation and goes through the necessary motions to convince the company that it has a set of values to which everyone in the company can subscribe. Unfortunately, research demonstrates that this is one sure way not to succeed. The one missing ingredient is ownership by the organization's rank and file. When the people of the organization are involved in developing the company's value system, they have ownership and

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buy-in to the values. This employee ownership makes implementation of the values incredibly easier and yields a much higher potential for success. But depending on the size and distribution of an organization, this approach can be a daunting project. We understand the potential scope and challenges associated with trying to coordinate a large-scale values definition project, but are convinced that employee participation is keenly important.

Below is an approach we use to begin the process.

1. Assemble a "Values Team." Membership on the Values Team should include a vertical and horizontal cross-section of the organization assembled to spearhead the values project.

2. Develop a communication plan for how the team will communicate with the organization and vice a versa, during the project.

3. Develop a project plan by which the team will approach their work and reach out to the organization.

4. Train the team in facilitation and analysis skills.

5. Specify team activities related to defining values once working or focus groups are established.

6. Define values using the below criteria to establish a common understanding of what is and what is not a value:
    ◆ What should our organization, company, and/or team stand for?
    ◆ What should be the values by which we operate?
    ◆ What do we want our customers to say about our organization when we are not in the room?
    ◆ How do we want our employees to answer the question, "What's it like to work here?"
    ◆ What are our organization's priorities in terms of which behaviors are rewarded and which are punished?
    ◆ As leaders, what can we do that will demonstrate the future state?

7. Identify values - write them on flip charts (below are some suggestions as necessary)

Truth	Persistence
Efficiency	Sincerity
Initiative	Fun
Environmentalism	Relationships
Power	Wisdom
Control	Flexibility
Courage	Perspective
Competition	Commitment
Excitement	Recognition
Creativity	Learning
Resources	Dependability
Trust	Excellence
Teamwork	Service
Profitability	Freedom
Friendship	Influence

8. Prioritize them and select top 6 values

9. Challenge the focus group - are values based upon definition?

10. Solicit differences between the meanings of the same values within the various categories

11. Ask the group to describe why each selected value is important to the organization – jot these down

12. With the definition and importance then ask the group to describe their expectation regarding behavior or how they will practice the value in their day-to-day interactions within the company.

Recommended Reading

The following book is worth including in your professional library: *Liberating the Corporate Soul - Building a Visonary Organization,* Richard Barrett, Butterworth Heinemann, ISBN 0-7506-7071-1.

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Depending on the size of the organization, the "Values Team" may need to convene to being the outcomes from various focus groups and analysis the individual values and combine them into a cohesive listing. If this is necessary, the focus groups must continually be informed of your work and the final outcome.

Now that a set of values is established, the process is not complete; rather, in reality, the process of changing old behaviors is just beginning. To reinforce employee ownership and buy-in we use a "values baselining survey." This survey establishes a baseline of how people in the organization believe the organi-zation is doing with respect to living up to their values. With this baseline established, the organization can measure how well they practice their values, both individually and organizationally. Future Values surveys should show improvement. Through periodic monitoring, corporate leadership can observe cultural change as well as make correlations between cultural change, employee retention and other metrics as determined important. In parallel, employees clearly understand that the company is making a commitment to combating the traditional sources of corporate malaise, and should begin to notice that the company is just a "Better Place to work."

Next issue

In our next issue we will be presenting an article by Mr. James F. Hilbie. Jim is the Mystic Middle School Band Director. The article focuses on Jim's leadership style in teaching and how he embeds many of the same leadership principles in his students. We will highlight his approach, the risks he takes and the successes he and his bands are achieving. This will prove to be a very interesting article and digresses from our typical industry focus.

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