

Living and Managing by Values

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Managing by values is a long-term plan for maximizing the human assets of an organization by stressing and living with a set of commonly shared principles, beliefs and norms that will guide behavior and performance. It defines the type of internal environment; climate or atmosphere an organization wants to endure. Will it be customer oriented? Will it be renown for producing knowledge and innovation? Will it prize quality of products, services and interactions above all else?

In the context of such a strategy, the workforce is seen as an asset rather than an expense. The idea of managing by values is to make the most of people's contributions, enthusiasm, and passion to support the business and/or the core undertaking of the organization.

The reader may say that almost all organizations have a set of values, but relatively few manage them into reality. Thus the challenge is how do you go about making values a reality for the organization. This requires rigor and discipline in order to achieve sustainable results with this kind of serious venture.

To often organizations merely pay lips service to this kind of strategic initiative as the values they claim to hold in high regard. Sometimes, there seems to be a huge gap between the values professed by the formal rethoric and the daily performance and undertakings of participants within the organization.

For an organization that invest the time and effort to carry out its managing by values strategy, the rewards can propel the organization to previously unattained heights of performance.

Defining the managing by values is not necessarily the difficult part. Most organizations can easily analyze their markets, customers, and aligned strategies to craft a managing by values strategy with external focus, such as quality, customer delight, or cost effectiveness, that affects prices or honoraries. The real work is looking into the internal focus, which can vary in any direction depending on the organization's history, appeal to prospective employees, style of leadership structure (hierarchical vs process orientation), communication systems, and a set of other factors that affect the behavior of the people.

The other day while driving in the middle of the day, I received a phone call asking me what were the key steps to executing an intelligent and successful managing by values venture. So, good friends, apart from what we quickly discussed by phone, here is a more systematic answer. The steps are the following:

1. **Involve people in crafting the key set of organizational values.** If the senior executive team alone decides what values are important, the chances that these values will take hold in the internal setting are very slim. The involvement of all associates in the value-setting process will help to make the final set of values more people oriented and will better describe the behaviors needed by individuals at all levels of the organization.
2. **Develop an effective communication strategy that makes the business case as to why these values are important.** The communication strategy may start at the top with the leader or the leaders of the organization, and it should spell out exactly and clearly why values are important to the organization's success. Managing by values is about assuring that selected values predict behavior and performance in a consistent manner. All executives must become articulate advocates of the managing by values initiative, living and modeling the values with their examples and behaviors. These values have to be

discussed in all important meetings and have to be displayed prominently. They can also be used in all communications with the market, customers and stakeholders. The communication campaign must define and explain what behaviors specifically are expected of everyone.

3. **Educate all the organization's population in the selected values set.** People need to know how to translate values into behavioral expectation and execution.

Let us say that one of the values is innovation. Start by defining that value, for example as generating innovative solutions in work situations; trying different and novel ways to deal with work problems and opportunities. Then you might say that innovation is demonstrated by the following behaviors: A. Challenge paradigms or assumptions in the way traditional problems are defined and cultivate alternative ways to look at problems. B. Leverage diverse resources for drawing on new ideas and possibilities. C. Think expansively combining ideas or making connections between disparate ideas, and brainstorming different approaches. D. Evaluate different solutions before accepting any. E. Ensure relevance, targeting important areas for innovation and develop solutions that address meaningful work issues.

The education for values function needs to describe how each value and the consequent expectations apply to each individual position from seniors to mail clerks and messengers.

4. **Hold leaders as well as employees accountable for living the values.** This is where the performance or execution management process plays a mayor role. A performance management system defines both results objectives and behavior objectives, and accountability is about assuring that living the values is a serious matter.

5. **Measure how well the organization as well as each leader is living the values.** This is about setting measures that track how well the people are living the values. It is possible to design surveys, focus groups and dashboards to monitor how well the organization is living the values.

To get results with living and managing by values it is important to design the adequate system.