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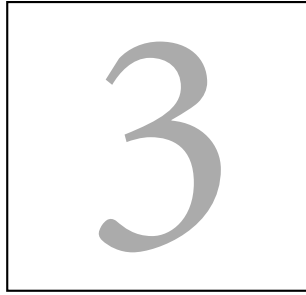
PART



# MODEL THE WAY

- CLARIFY VALUES
- SET THE EXAMPLE





## CLARIFY VALUES

*“Having faith in my principles and beliefs gave me the courage to navigate difficult situations and make tough decisions.”*

*Tim Avila, CMP Media Electronics Group*

Name an historical leader whom you greatly admire—a well-known leader from the distant or recent past whom you could imagine following willingly. Who is that leader?

In our research we’ve asked thousands of people to do this. Although no single leader receives a majority of the nominations, in the United States the two most frequently mentioned are Abraham Lincoln and Martin Luther King

Jr. Other historical leaders who've made the list include Aung San Suu Kyi, Susan B. Anthony, Benazir Bhutto, César Chávez, Winston Churchill, Mahatma Gandhi, Mikhail Gorbachev, Miguel Hidalgo, Nelson Mandela, Golda Meir, His Holiness the Dalai Lama, J. Robert Oppenheimer, His Holiness Pope John Paul II, Eleanor Roosevelt, Franklin D. Roosevelt, Mother Teresa, Margaret Thatcher, and Archbishop Desmond Tutu.

What do leaders such as these have in common? Among these most admired leaders, one quality stands out above all else. The most striking similarity we've found—and surely it's evident to you—is that the list is populated by people with *strong beliefs about matters of principle*. They all have, or had, unwavering commitment to a clear set of values. They all are, or were, passionate about their causes. The lesson from this simple exercise is unmistakable. People admire most those who believe strongly in something, and who are willing to stand up for their beliefs. If anyone is ever to become a leader whom others would willingly follow, one certain prerequisite is that they must be someone of principle. Famous figures from history, of course, aren't the only leaders with strong beliefs on matters of principle. All exemplary leaders share this quality no matter what status they may have achieved. It could be a leader in your local community, one down the hall from you, one next door—and also you. The personal-best leadership cases we've collected are, at their core, the stories of individuals who remained true to deeply held values. For Nevzat Mert Topcu, who with his cousin successfully started a magazine about PC games in Turkey, becoming a leader meant “getting in touch with my core values.” If you want to lead others, he told us, “you have to open up your heart. . . . you have to be able to be honest with yourself in order to be honest with others.” For Walt Shaw, working as associate director of business development for Visto Corporation, the crucial lesson was “understanding what you deeply believe because people won't follow you, or even pay much attention to you, if you don't have strong beliefs.” One mid-level manager poignantly explained to us that because of her cultural heritage and gender stereotyping, she had not always stood for her principles.

I ignored my heart and didn't listen to my own voice. I was a walking corpse. But I've come to understand that everyone has beliefs and values, and that in order for people to lead they've got to connect with them and be able to express them. This means that I have to let people know and understand what my thoughts are so that I can become a good leader. How can others follow me if I'm not willing to listen to my own inner self? Now, I let others know what I think is important and how hard I'm willing to fight for my values.

People expect their leaders to speak out on matters of values and conscience. But to speak out you have to know what to speak about. To stand up for your beliefs, you have to know what you stand for. To walk the talk, you have to have a talk to walk. To do what you say, you have to know what you want to say. To earn and sustain personal credibility, you must first be able to clearly articulate deeply held beliefs.

That is why Clarify Values is the first of the leader commitments we discuss in this book. It's where it all begins. To Clarify Values as a leader you must engage in these two essentials:

- **Find your voice**
- **Affirm shared values**

Remember the Kouzes-Posner First Law of Leadership?

If you don't believe in the messenger, you won't believe the message.

The observation that people most admire those leaders with clear and strong beliefs leads to the following two corollaries to our First Law:

- You can't believe in the messenger if you don't know what the messenger believes.
- You can't be the messenger until you're clear about what you believe.

To become a credible leader you have to comprehend fully the deeply held beliefs—values, principles, standards, ethics, and ideals—that drive you. You have to freely and honestly choose the principles you will use to guide your decisions and actions. Then you have to genuinely express yourself. You must authentically communicate your beliefs in ways that uniquely represent who you are.

But leaders aren't just speaking for themselves when they talk about the values that should guide decisions and actions. When leaders passionately express a commitment to quality or innovation or service or some other core value, those leaders are not just saying, "I believe in this." They're making a commitment for an entire organization. They're saying, "We all believe in this." Therefore, leaders must not only be clear about their own personal values but also make sure that there's agreement on a set of shared values among everyone they lead.

## FIND YOUR VOICE

We all know deep down that people can only speak the truth when speaking in their own true voice. The techniques and tools that fill the pages of management and leadership books—including this one—are not substitutes for who and what you are.

Max De Pree, former chairman and CEO of Herman Miller, the Michigan furniture maker, tells a moving story that well illustrates this principle:

Esther, my wife, and I have a granddaughter named Zoe, the Greek word for "life." She was born prematurely and weighed one pound, seven ounces, so small that my wedding ring could slide up her arm to her shoulder. The neonatologist who first examined her told us that she had a 5 to 10 percent chance of living three days. When Esther and I scrubbed up for our first visit and saw Zoe in her isolette in the neonatal intensive care unit, she had two IVs in her navel, one in her foot, a monitor on

each side of her chest, and a respirator tube and a feeding tube in her mouth.

To complicate matters, Zoe's biological father had jumped ship the month before Zoe was born. Realizing this, a wise and caring nurse named Ruth gave me my instructions. "For the next several months, at least, you're the surrogate father. I want you to come to the hospital every day to visit Zoe, and when you come, I would like you to rub her body and her legs and her arms with the tip of your finger. While you're caressing her, you should tell her over and over how much you love her, because she has to be able to connect your voice to your touch."

Ruth was doing exactly the right thing on Zoe's behalf (and, of course, on my behalf as well), and without realizing it she was giving me one of the best possible descriptions of the work of a leader. At the core of becoming a leader is the need always to connect one's voice to one's touch.<sup>1</sup>

In this poignant story, Max eloquently illustrates the power we all have to shape a life—even save a life—when we connect what we do to what we say. But Max goes on. He articulates another important leadership lesson he learned from this traumatic experience: "There is of course a prior task—finding one's voice in the first place."<sup>2</sup>

Before you can become a credible leader—one who connects "say" and "do"—first you have to find your voice. If you can't find your voice, you'll end up with a vocabulary that belongs to someone else, mouthing words that were written by some speechwriter or mimicking the language of some other leader who's nothing like you at all. If the words you speak are not your words but someone else's, you will not, in the long term, be able to be consistent in word and deed. You will not have the integrity to lead.

### *Explore Your Inner Territory*

Once, when discussing the origins of leadership, our conversation went something like this:

Jim: I think leadership begins with discontent.

Barry: That's too dismal a view for me. I think leadership begins with caring.

Jim: Okay, then, let's look up *caring* in the dictionary.

We grabbed one off the shelf, and opened it to *care*. The first meaning was “suffering of mind: GRIEF.”<sup>3</sup> There it was. Suffering and caring, discontent and concern, all come from one source. Deep within us all there is something

we hold dear, and if it's ever violated we'll weep and wail. We'll fight to the death to secure it, grieve if we lose it, and shriek with joy when we achieve it.

We realized that what we were both saying is that leadership begins with something that grabs hold of you and won't let go. This is where you must go to find your voice. To find your voice, you have to explore your inner territory. You have to take a journey

into those places in your heart and soul where you bury your treasures, so that you can carefully examine them and eventually bring them out for display.

You must know what you care about. If you don't care, how can you expect others to do so? If you don't burn with desire to be true to something you hold passionately, how can you expect commitment from others? And until you get close enough to the flame to feel the heat, how can you know the source? You can only be authentic when you lead according to the principles that matter most to you. Otherwise you're just putting on an act.

The answers to the question of values will come only when you're willing to take a journey through your inner territory—a journey that'll require opening doors that are shut, walking in dark spaces that are frightening, and touching the flame that burns. But at the end is truth.

This is the common lesson we must all learn. To act with integrity, you must first know who you are. You must know what you stand for, what you believe in, and what you care most about. Clarity of values will give you the confi-

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*To act with  
integrity, you  
must first know  
who you are.*

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dence to make the tough decisions, to act with determination, and to take charge of your life.

## *Values Guide Us*

Lillas Brown Hatala was recruited to be the director of Business and Leadership Programs, a start-up operation in the University of Saskatchewan's (Canada) Extension Division. She'd had a successful career as a corporate human resource development manager at Federated Co-operatives Limited, a large retailer and wholesaler, but decided to make the switch to have an expanded role in working with people in a different setting. "I wanted to make a difference," says Lillas, "in the lives of leaders and their constituents in the workplace."

Lillas was new to the university system, and, she says now, "Like any new leader, I had to earn credibility. In any organization, credibility building is a process that takes time, hard work, devotion, and patience." But coming in as an outsider can be especially trying. There's more skepticism about your intentions and your abilities. This was even truer in Lillas's case, because one of the projects she initially took on was a leadership development program for department chairs. You can just hear the rumblings: "How can someone from retailing possibly help develop the skills of those in academia?"

"In the early years," Lillas says, "some naysayers dismissed my work, saying, 'This is a business model,' or 'You can't herd cats,' or 'Watch the fluff,' and so on. Painful as some of this was at the time, it not only contributed to my challenge but caused me to persevere. . . . It reinforced my intent to contribute to a more encouraging and nurturing culture than what I was experiencing."

Throughout this process Lillas turned to a simple method to aid her in staying the course. Every day she used personal journal writing for reflection and contemplation. "I use my journal to dialogue with the small still voice within," Lillas says. "Every evening I ask, 'What have I done today that demonstrates this value that is near and dear to me? What have I done inadvertently to demonstrate this is not a value for me? What do I need to do more of to

more fully express my values?” By daily clarifying and reaffirming her values in those first difficult years at the university, Lillas was able to strengthen her resolve to contribute. Increasingly, Lillas was able to win over even the most hardened skeptics and “accomplish what really mattered to the University and me while being more able to enjoy my life.”

As Lillas’s story illustrates, values are guides. They supply us with a moral compass by which to navigate the course of our daily lives. Clarity of values is essential to knowing which way, for each of us, is north, south, east, and west. The clearer we are about our values, the easier it is to stay on the path we’ve chosen. This kind of guidance is especially needed in difficult and uncertain times. When there are daily challenges that can throw us off course, it’s crucial that we have some signposts that tell us where we are.

The late Milton Rokeach, one of the leading researchers and scholars in the field of human values, referred to a value as an enduring belief. He noted that values are organized into two sets: means and ends.<sup>4</sup> In the context of our work on modeling, we use the term *values* to refer to our here-and-now beliefs about how things should be accomplished—what Rokeach calls *means* values. We will use *vision* in Chapters Five and Six when we refer to the long-term *ends* values that leaders and constituents aspire to attain. Leadership takes both. When sailing through the turbulent seas of change and uncertainty, crewmembers need a vision of the destination that lies beyond the horizon, and they also need to understand the principles by which they must navigate their course. If either of these is absent, the journey is likely to end with the crew lost at sea.

Values influence every aspect of our lives: our moral judgments, our responses to others, our commitments to personal and organizational goals. Values set the parameters for the hundreds of decisions we all make every day. Options that run counter to our value systems are seldom acted upon; and if they are, it’s done with a sense of compliance rather than commitment. Values constitute our personal “bottom line.”

Values also serve as guides to action. They inform our decisions as to what to do and what not to do; they tell us when to say yes, or no, and help us re-

ally understand why we mean it.<sup>5</sup> If you believe, for instance, that diversity enriches innovation and service, then you should know what to do if people with differing views keep getting cut off when they offer up fresh ideas. If you value collaboration over individualistic achievement, then you'll know what to do when your best salesperson skips team meetings and refuses to share information with colleagues. If you value independence and initiative over conformity and obedience, you'll be more likely to challenge something your manager says if you think it's wrong.

Radha Basu, cofounder of SupportSoft, explained how being clear about her personal values regarding career provided her the ability to make choices among competing demands, requests, and claims on her time and attention. "Knowing who I am, and what's important to me," she told us, "gives me focus and also enables me to keep juggling more balls in the air than I otherwise could. If you are clear about your values, and your actions are aligned, it makes all the hard work worth the effort."<sup>6</sup>

Values are empowering. We are much more in control of our own lives, as Radha found, when we're clear about our personal values. When values are clear we don't have to rely on direction from someone in authority. By knowing which means and ends are most important, we can act independently. We can also recognize a conflict between our own values and the values of the organization or society, and we can exercise choice about how to respond.

Values also motivate. They keep us focused on why we're doing what we're doing and on the ends toward which we're striving. Values are the banners that fly as we persist, as we struggle, as we toil. We refer to them when we need to replenish our energy.

For example, John Siegel, M.D., described the impact of values on a particular discussion at Valley Medical Center about a proposal to restructure their department:

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*Values serve  
as guides to  
action.*

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During the meeting, with all the surgeons in attendance, our discussion turned from worrying about the educational experience of residents to how lazy the residents are, that they don't answer their pages, don't have a vested interest in how the hospital runs or the quality of care that is delivered; everyone, including the chair of the department, joined in.

I raised my hand and, in a calm steady voice, reminded everyone that our first priority is to deliver excellent care for our patients, and a restructuring plan that assured that as our primary goal would necessarily allow an excellent learning experience for the residents and may even show them what it's like to care passionately about something like quality of care and see the satisfaction we derive from providing it. Without actually saying it, I pushed the button that was in each of us, reminding us of the values we are living and the dream we all have for where we work.

I had the least seniority of anyone, but I could say what I believed in, with confidence and a strength that comes from that personal commitment to values, and they listened. The mood changed, we were constructively engaged again, and eventually settled on a restructure plan that will improve how our department works.

John's story is a reminder of how well values can keep you—and your colleagues—on course, especially when you become engaged in conflicts or controversies. Just reminding yourself of the principles that are most important often can refocus your attention on the things that really matter.

### *Personal Values Clarity Drives Commitment*

It's one thing to expect that leaders are clear about their values and beliefs, but it's another to prove that it really matters if they are. What's the evidence for this assertion? How much difference does being clear about values really make? We set out to empirically investigate the relationship between personal values clarity, organizational values clarity, and a variety of outcomes such as commitment and job satisfaction.<sup>7</sup> The results of our research clearly indi-

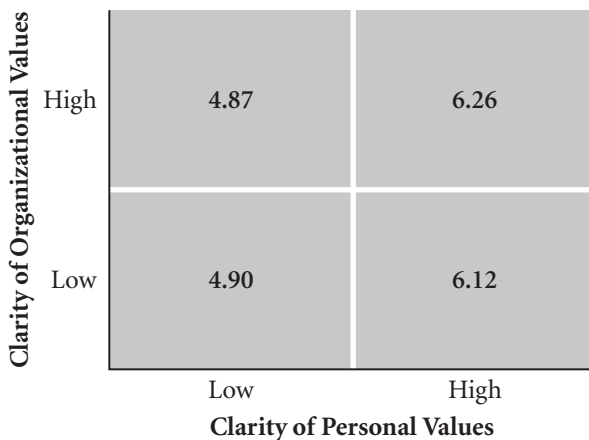
cate that personal values clarity makes a significant difference in behavior at work. Figure 3.1 shows what we discovered about values clarity and commitment to organizations, for example.

Along the vertical axis is the extent to which people report being clear about their organization's values. Along the horizontal axis is the extent to which these same people report being clear about their own personal values. We then correlated these responses with the extent to which people said they were committed to the organization as measured on a scale of 1 (low) to 7 (high). We've organized the data into four cells, each representing a level of clarity from low to high on personal and organizational values. The numbers in each of the four cells represent the average level of commitment people have to their organizations as it relates to the degree of their clarity about personal and organizational values.

Take a look at where the highest level of commitment is. The people who have the greatest clarity about both personal and organizational values have the highest degree of commitment to the organization.

Now, take another look. Where's the lowest level of commitment to the organization? It's in the upper left corner—high clarity about organizational

**3.1** THE IMPACT OF VALUES CLARITY ON COMMITMENT.



values but low clarity about personal values. It shows that people can be very clear about the organization's values and *not* be highly committed. And indeed these folks are not significantly more committed than those with lower levels of organizational values clarity. Doesn't this make you a bit curious? It did us. Initially it seemed inconsistent with the messages we'd been hearing about strong organizational cultures. So we looked again at the data to see if we could understand what people were telling us.

Take a look at the second-highest level of commitment (which, by the way, is not statistically different from the highest level). It's in the bottom right corner—high clarity about personal values but low clarity about organizational values. The people who are clear about their personal beliefs but can't recite the corporate credo are significantly more likely to stick around than are those people who've heard the organizational litany but have never lis-

tened to their own inner voice. In other words, *personal values drive commitment*. Personal values are the route to loyalty and commitment, *not* organizational values.

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*Personal  
values drive  
commitment.*

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How can this be? How can people who are very clear about their own values be committed to a place that has never posted its organizational values? Think about it. Have you ever had the feeling that "This place is not for me?" Have you ever walked into a place, immediately gotten the sense that "I don't belong here," and just walked right out? In contrast, have you ever just known that you belong, can be yourself, and that "This is the right place for me"? Of course you have. We've all had those experiences.

It's the same way in the workplace. There comes a point when we just know whether it is or isn't a good fit with our values and beliefs, even if there was no lecture on the organization's values. We won't stick around a place for very long when we feel in our heart and in our soul that we don't belong.

Clarity about personal values is more important in your attitude about work than is clarity about organizational values alone. Ultimately it's the in-

dividual who decides if the organization is a great place to work. Those individuals who are clearest about personal values are better prepared to make choices based on principle—including deciding whether the principles of the organization fit with their own!

The data also establish that sending the executive team off on a retreat to chisel out the organization's values, making videos about them, conducting seminars on them, or handing out laminated wallet cards imprinted with the values all matter very little until leaders also make sure that they help individuals understand their own values and beliefs.

### *Say It in Your Own Words*

Once you have the words you want to say, you must also give voice to those words. You must be able to express your voice so that everyone knows that you are the one who's speaking.

In this book we present a lot of scientific data to support our assertions about each of the five leadership practices. But leadership is also an art. And just as with any other art form—whether it's painting, playing music, dancing, acting, or writing—leadership is a means of personal expression. To become a credible leader you have to learn to express yourself in ways that are uniquely your own. As author Anne Lamott tells would-be writers in her classes:

And the truth of your experience can only come through in your own voice. If it is wrapped in someone else's voice, we readers are suspicious, as if you are dressed up in someone else's clothes. You cannot write out of someone else's big dark place; you can only write out of your own. Sometimes wearing someone else's style is very comforting, warm and pretty and bright, and it may loosen you up, tune you into the joys of language and rhythm and concern. But what you say will be an abstraction because it will not have sprung from direct experience; when you try to capture the truth of your experience in some other person's voice or on that person's

terms, you are removing yourself one step further from what you have seen and what you know.<sup>8</sup>

What's true for writers is just as true for leaders. You cannot lead through someone else's values, someone else's words. You cannot lead out of someone else's experience. You can only lead out of your own. Unless it's your style, your words, it's not you—it's just an act. People don't follow your position or your technique. They follow you. If you're not the genuine article, can you really expect others to want to follow?

One route to a true and genuine voice is in being more conscious about the words you choose and the words you use. Words matter. They're as much a form of expression for leaders as they are for poets, singers, and writers. Words send signals, and, if you listen intently, you just may hear the hidden assumptions about how someone views the world.

Take the following examples from an after-lunch speech we heard a bank manager give to his employees. His intent was to motivate, but as we listened we heard more than that. We heard a fundamental belief system about how business functioned and what he believed to be important. Have a listen for yourself:

- “You’ve got to watch out for the headhunters.”
- “Safeguard your capital and keep it dry.”
- “We will act like SWAT teams.”
- “We are going to beat their brains out.”
- “Get the moccasins and the tom-tom going.”
- “We won’t tolerate the building of little fiefdoms.”
- “There will be only a few survivors.”

What is the main metaphor in these direct quotes from his speech? War. What this manager is saying is, “Business is a bloody war, and we’re going to have to behave that way. It’s kill or be killed.”

Contrast the bank manager's speech with the following words from Louis (Tex) Gunning, who heads the Southeast Asia and Australia regions for Unilever, the global foods, home care, and personal care manufacturer:

- “The business needs to be grounded in deep human values, and you need to have integrity in your actions.”
- “We have to have a social meaning that resonates with the people who volunteer to work here, and with the people we serve.”
- “The core insight about great leadership comes down to service. Somehow it humanizes us.”
- “It's our souls that give us guidance and wisdom, and it is our souls that animate human qualities of love, compassion, and humility.”
- “People want to live meaningful lives; . . . they want to grow and they want to be part of an organization that helps them to contribute to something that is far bigger than they could ever create on their own.”
- “Caring for community needs to be in the heart of all our actions. Once we get this right, then the rest will come into place.”<sup>9</sup>

The organizational and business world that Tex paints with his words contrasts dramatically with that of the bank manager. His is not about business as war, but about business as service and love. Tex and the bank manager are speaking in entirely different voices.

What's most important to understand is that Tex absolutely could not deliver the bank manager's words, and the bank manager could not deliver Tex's. Their words are internally congruent for each of them. Each would be disingenuous and inauthentic if they spoke like the other.

To be a leader, you've got to awaken to the fact that you don't have to copy someone else, you don't have to read a script written by someone else, and you don't have to wear someone else's style. Instead, you are free to choose what you want to express and the way you want to express it. In fact, we'd argue that you have a responsibility to your constituents to express

yourself in an authentic manner—in a way they would immediately recognize as yours.

## AFFIRM SHARED VALUES

Shared values are the foundations for building productive and genuine working relationships. Although credible leaders honor the diversity of their many constituencies, they also stress their common values. Leaders build on agreement. They don't try to get everyone to be in accord on everything—this goal is unrealistic, perhaps even impossible. Moreover, to achieve it would negate the very advantages of diversity. But to take a first step, and then a second, and then a third, people must have some common core of understanding. After all, if there's no agreement about values, then what exactly is the leader—and everyone else—going to model? If disagreements over fundamental values continue, the result is intense conflict, false expectations, and diminished capacity.

### *Shared Values Are an Organization's Promises*

Important as it is that leaders forthrightly articulate the principles for which they stand, what leaders say must be consistent with the aspirations of their constituents. Leaders who advocate or stand for values that aren't representative of the collective won't be able to mobilize people to act as one. Leaders set an example for all constituents based on a shared understanding of what's expected. Leaders must be able to gain consensus on a common cause and a common set of principles. They must be able to build and affirm a community of shared values.

For Michael Ryan, Network Appliance's manager of systems integration, the company's core values—Trust and Integrity, Leadership, Simplicity, Teamwork and Synergy, Go Beyond, and Get Things Done—were the glue that held his team together, especially as they partnered with several other companies in building a customer data-management solution. As Michael put it,

When things seemed like they were falling apart and splintering, I went back to core NetApp values: I cast the effort as a means of using new technology to *Simplify* the solution, that we had to *Trust* each other, that the *Teamwork* was critical, that the *Synergy* of our partners was required for success because we definitely had to *Go Beyond* to get this thing done so quickly.

Michael held “value quizzes” in his staff meetings. He asked various team members to recall the NetApp values and provide examples of them at work. “We would then comment about our current project,” he recalled, “and discuss how well these values were or were not being upheld, and what to do about any misalignments.”

A leader’s promise, as Michael knows, is really an organization’s promise—regardless of whether the organization is a team of two, an agency of two hundred, a school of two thousand, a company of twenty thousand, or a community of two hundred thousand. Unless there’s agreement about which promises can be kept, leaders, constituents, and their organizations risk losing credibility.

Recognition of shared values provides people with a common language. Tremendous energy is generated when individual, group, and organizational values are in synch. Commitment, enthusiasm, and drive are intensified. People have reasons for caring about their work. When individuals are able to care about what they are doing, they are more effective and satisfied. They experience less stress and tension. Shared values are the internal compasses that enable people to act both independently and interdependently.

As noted earlier in this chapter, employees are more loyal when they believe that their values and those of the organization are aligned. The quality and accuracy of communication and the integrity of the decision-making process increase when people feel part of the same team. They are more creative because they become immersed in what they are doing.

Across a wide range of companies and industries, people whose personal values match those of their company feel significantly more strongly attached

to their work and organization than do those who see little relationship in values. Not surprisingly, these two groups differ in the extent to which they find their management to be credible.<sup>10</sup> Studies across the globe yield similar results.<sup>11</sup>

### *Shared Values Make a Difference*

In our own research, we've carefully examined the relationship between personal and organizational values. Our findings clearly reveal that when there's congruence between individual values and organizational values, there's significant payoff for leaders and their organizations.<sup>12</sup> Shared values do make a significant positive difference in work attitudes and performance:

- They foster strong feelings of personal effectiveness.
- They promote high levels of company loyalty.
- They facilitate consensus about key organizational goals and stakeholders.
- They encourage ethical behavior.
- They promote strong norms about working hard and caring.
- They reduce levels of job stress and tension.
- They foster pride in the company.
- They facilitate understanding about job expectations.
- They foster teamwork and esprit de corps.

When leaders seek consensus around shared values, constituents are more positive. People who report that their senior managers engage in dialogue regarding common values feel a significantly stronger sense of personal effectiveness than do those individuals who feel that they're wasting energy trying to figure out what they're supposed to be doing.<sup>13</sup> France's Bongrain, one of the world's largest cheese companies, doing business in 150 countries, understands that shared values matter. "I see the value of values every day," says Thomas Swartele, president. "The communications, the innovation, the adaptability, the coherence: those are the value of values. Because you are ap-

proaching markets, problems, and business opportunities from a shared basic-belief system, a values-based business approach becomes extremely efficient and powerful.”<sup>14</sup> That’s the point: people tend to drift when they’re unsure or confused about how they should be operating. The energy that goes into coping with, and possibly fighting about, incompatible values takes its toll on both personal effectiveness and organizational productivity.

Research confirms that organizations with a strong corporate culture based on a foundation of shared values outperformed other firms by a huge margin.<sup>15</sup>

- Their revenue grew more than four times faster.
- Their rate of job creation was seven times higher.
- Their stock price grew twelve times faster.
- Their profit performance was 750 percent higher.

Studies of adaptive corporate cultures—organizations with consistent guiding values, a shared purpose, teamwork, innovation, and learning—showed similar powerful results. Compared with nonadaptive cultures, over a ten-year period, the organizations with strong values

- Experienced nearly ten times the growth in net income
- Had three times the growth in stock price<sup>16</sup>

Studies of public sector organizations also support the importance of shared values to organizational effectiveness.<sup>17</sup> Within successful agencies and departments, considerable agreement, as well as intense feeling, is found among employees and managers about the importance of their values and about how those values could best be implemented.

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Periodically taking the organization's pulse in regard to the clarity and consensus of its values is well worthwhile. It renews commitment. It engages the institution in discussing values (such as diversity, accessibility, sustainability, and so on) that are more relevant to a changing constituency. Once people are clear about the leader's values, about their own values, and about shared values, they know what's expected of them, can manage higher levels of stress, and can better handle the conflicting demands of work and their personal lives.

### *Which Shared Values Are Important?*

Is there some particular value or set of values that fuels organizational vitality? Consider this example of three electronics companies, each of which has

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*Successful companies may have very different values.*

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a strong set of values.<sup>18</sup> The first company prides itself on technical innovation and has a culture dominated by engineering values; it informally encourages and rewards activities such as experimentation and risk taking. The second company is much flashier; its important organizational values are associated with marketing, and the company gears itself toward providing outstanding customer service. The third company does things “by the numbers”; accounting standards

dominate its key values, and energies are directed toward making the organization more efficient (by cutting costs, for example).

Each of these companies operates by a different set of values. Is one more successful than the other? No, not really. All three companies compete in the same market, and all are successful, each with a different strategy and culture. It's apparent, then, that successful companies may have very different values—and that the specific set of values that serves one company may hurt another.

This view is supported by the research on companies that are “built to last.” Each high-performing organization, compared with a like company in its industry, had a very strong “core ideology” but didn't share the *same* core

ideology.<sup>19</sup> The source of sustained competitive advantage for organizations begins with a values-based foundation on which management and leadership practices are built.

Although there may not be one best set of values, you can find some guidance from the research on central themes in the values of highly successful, strong-culture organizations.<sup>20</sup> There are three central themes in the values of these organizations:

- High performance standards
- A caring attitude about people
- A sense of uniqueness and pride

*High-performance* values stress the commitment to excellence, *caring* values communicate how others are to be treated, and *uniqueness* values tell people inside and outside how the organization is different from all the others. These three common threads seem to be critical to weaving a values tapestry that leads to greatness.

### *Unity Is Forged, Not Forced*

Questions such as “What are our basic principles?” and “What do we believe in?” are far from simple. Even with commonly identified values, there may be little agreement on the meaning of values statements. One study, for example, uncovered 185 different behavioral expectations about the value of integrity alone.<sup>21</sup> The lesson here is that leaders must engage their constituents in a dialogue about values. A common understanding of values emerges from a process, not a pronouncement.

This is precisely what Michael Lin discovered when he became the technical support manager for a small wireless company. Although he felt that it was important “to clarify my personal values from the onset, at the same time I needed to give each of my fellow technical support engineers an opportunity to express what individual values were important to them.” He noted that

it was not so important what the particular value was called or labeled but that everyone agreed on the importance and meaning of the values. One of his initial actions was to bring people together just for that purpose, so that they could arrive at common and shared understandings of what their key priorities and values were and what these meant in action:

The last thing I wanted them to feel was that my values were being imposed on them. So each person talked about their own values, the reasoning behind them. In this fashion we were able to identify the common values that were important to us as a group. The key values that the team and I felt were most important to model were honesty, responsibility, customer focus, and teamwork. This led us to drafting a team credo: Do whatever it takes to satisfy the customer. The process of deciding on one common set of values was an extremely valuable unifying and clarifying experience.

Experience has taught us that no matter how extensive top management's support of shared values is, leaders can't impose their values on organizational members. Instead they must be proactive in involving people in the process of creating shared values. Imagine how much ownership of values there would be if leaders actively engaged a wide range of people in their development. We encourage leaders to invite everybody—or if that's not feasible, a representative group of constituents—to discuss the organization's values and see what critical themes emerge. Shared values are the result of listening, appreciating, building consensus, and practicing conflict resolution. For people to understand the values and come to agree with them, they must participate in the process: unity is forged, not forced.

Someone who knows all about resolving conflict and building consensus around a unifying set of values is Pat Christen, president of HopeLab, a non-profit organization that combines rigorous research with some very innovative solutions to improving the health and quality of life of young people with chronic illnesses. HopeLab's first product was Re-Mission, a videogame for

young people with cancer. Pat found that shared values were critical guideposts when difficulties arose:

Our staff and external collaborators have competencies that were really critical to our success with Re-Mission, but their different perspectives were often in conflict with one another in terms of how we should move forward with the project. Our leadership role was to manage these tensions to bring out the best in everyone. It was an extraordinary challenge, but I believe that when you reach difficult crossroads in an organization, you go back to your core values and you constantly ask how you should be behaving and what path you should be taking in order to align your values with actions. The manner in which the staff rose to the occasion in producing such a high-quality product is a real testament to having a set of core values and using them to guide how you act and behave in the world.

For values to be truly shared, they must be more than advertising slogans. They must be deeply supported and broadly endorsed beliefs about what's important to the people who hold them. Constituents must be able to enumerate the values and must have common interpretations of how those values will be put into practice. They must know how the values influence their own jobs and how they directly contribute to organizational success.

One word of caution: shared values should never be used as an excuse for the suppression of dissent. When dissenting voices are silenced, and when shared values become unquestioned doctrine, freedom of expression is lost—and with it goes innovation, creativity, and talent. And sometimes people's lives. Freedom of expression is essential to creating a culture of contribution and commitment. If leaders desire long-term sustainable growth and development, then freedom just may be that value that makes possible all the others.

A unified voice on values results from discovery and dialogue. Leaders must provide a chance for individuals to engage in a discussion of what the values mean and how their personal beliefs and behaviors are influenced by

what the organization stands for. Leaders must also be prepared to discuss values and expectations in the recruitment, selection, and orientation of new members. Better to explore early the fit between person and organization than to have members find out at some key juncture that they're in violent disagreement over matters of principle.<sup>22</sup>

## REFLECTION AND ACTION: CLARIFYING VALUES

The very first step on the journey to credible leadership is clarifying your values—discovering those fundamental beliefs that will guide your decisions and actions along the path to success and significance. That journey involves an exploration of the inner territory where your true voice resides. It's essential that you take yourself on this voyage because it's the only route to authenticity and because your personal values drive your commitment to the organization and to the cause. You can't do what you say if you don't know what you believe. And, you can't do what you say if you don't believe in what you're saying.

Although personal values clarity is essential for all leaders, it's insufficient alone. That's because leaders don't just speak for themselves, they speak for their constituents as well. There must be agreement on the *shared values* that everyone will commit to upholding. Shared values make a significant and positive difference in work attitudes and performance, and a common understanding of those values emerges from a process, not a pronouncement. Unity comes about through dialogue and debate. And, finally, to make sure that people can act on the values they share, it's essential to build competence. Credibility, both individual and organizational, is not just a promise—it's also the ability to deliver on the promise.

We talk throughout this book about building your competence to lead in each of The Five Practices of Exemplary Leadership. As mentioned in the Preface, we close each chapter with suggestions on actions you can take, alone

or with others, to build skills for implementing the practice in question. As you will see, we designed our suggestions to be “small wins.” Whether the focus is your own learning or the development of your constituents (such as direct reports, team, peers, manager, community), small wins are things you can do on your own immediately—they take little or no budget, nor do they require consensus among peers or approval of top management.

Here are three actions that you can use to Clarify Values for yourself and others.

### *Write a Tribute to Yourself*

Begin the process of clarifying your values by reflecting on your ideal image of yourself—how you would most like to be seen by others. Try this exercise: Imagine that tonight you’ll be honored as Leader of the Year. Hundreds of people will gather to pay tribute to your contributions to your family, your colleagues, your organization, or your community. Several people will make speeches praising your performance and your character.

What words or phrases would you most like to hear others say about you? How would you like to be remembered tonight? What descriptions would make you feel the proudest? If you could write these tributes yourself, what would you want them to say? These descriptive adjectives and phrases may well be lofty and ideal. That’s exactly the point: the greater the clarity of, belief in, and passion for our personal standards of excellence, the greater the probability we’ll act in concert with them.

If you have trouble writing your tribute, you might start by recording your answers to some of these questions:

- What do you stand for? Why?
- What do you believe in? Why?
- What are you discontented about? Why?
- What brings you suffering? Why?
- What makes you weep and wail? Why?

- What makes you jump for joy? Why?
- What are you passionate about? Why?
- What keeps you awake at night? Why?
- What's grabbed hold and won't let go? Why?
- What do you want for your life? Why?
- Just what is it that you really care about? Why?

To write your tribute, and to lead, you'll need to be able to answer these questions.

## *Write Your Credo*

Imagine that your organization has afforded you the chance to take a six-month sabbatical, all expenses paid. You will not be permitted to communicate to anyone at your office or plant while you are away. Not by letter, phone, fax, e-mail, or other means.

But before you depart, those with whom you work need to know the principles that you believe should guide their decisions and actions in your absence. They need to know the values and beliefs that you think should steer the organization while you're away. After all, you'll want to be able to fit back in on your return.

You are not to write a long report, however. Just a one-page "Credo Memo." Get a single sheet of paper and write that memo.

It usually takes about five to ten minutes to write a Credo Memo. We do not pretend that this exercise is a substitute for more in-depth self-discovery, but it does provide a useful starting point for articulating your guiding principles. To deepen the clarification process, identify the values you listed in your memo (usually they appear as key words or phrases) and put them in order of priority. Or rank them from low to high. Or place them on a continuum. Forcing yourself to express preferences enables you to see the relative potency of each value.

## *Engage in a Credo Dialogue*

Start by gathering together the people you lead for a dialogue about shared values. Tell them what you've learned about personal values and about shared values. Tell them that you've written a Credo Memo that you'd like to share with them, but before doing it you'd like them to do the same thing. Explain the Credo Memo process to them (see previous action) and give them each time to write something—five to ten minutes should be sufficient.

Once they have all written their own Credo Memos, ask each person to share with a few colleagues in small groups what he or she wrote. Ask them to describe both what they wrote and why they selected the values they recorded in the memo. Before they begin, you can model the process by reading your memo to them and telling them why you prize the values you chose.

Remind your team that the objective of this activity is clarity. You want them to understand what each other values; there's no need for consensus at this stage. Suggest that they ask each other clarifying questions if they don't understand something, and follow-up questions if they still aren't clear.

Once each person has had a chance to express key values, ask the groups to reflect on what was discussed. Was each person's set of guiding values in the Credo Memo idiosyncratic, or were there some similar values being expressed? (If your experience is similar to ours, you'll hear that there were a number of commonalities.) Ask, What are the common values that were expressed?

There's a lot more you can do with this list—you can turn it into a formal document for everyone to sign, you can form a committee to write a group credo, or you can just have everyone keep their own notes. The critical thing is that you begin to build consensus around a common set of values that emerges from the group and not one that is imposed from the top.

## COMMITMENT NUMBER 1

### *Clarify Values*

#### **Essentials of Clarifying Values**

- Find your voice
- Affirm shared values

#### **Taking Action**

- Write a tribute to yourself
- Write your credo
- Engage in a credo dialogue

