

LeaderPerfect Newsletter

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A Different Perspective on Corporate Values

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For years I've led organizations through facilitated exercises to clarify their values. We usually work to identify no more than five to seven corporate values. Once a list grows longer than this, it's difficult to remember. And what people can't remember, they won't pursue.

But I've never been fully satisfied with my approach to finding agreement on corporate values. I've seen bright executives struggle with whether this value or that value should be included. While certain values might not seem as "big" as others in the overall scheme of things, these values seem vital to continued success. So do they make the short list of values?

A few months ago I began to put my finger on why this struggle is so common. The mistake, I've concluded, is trying to come up with a single list of corporate values and treat them as a collection of equals.

The fact is, there are layers of values in organizations. Some are core values. Others are strategic values. Still others are operational values. And they need to be broken out into these categories.

Lately I've changed my approach to teaching executives and corporate leaders about values. And from the initial feedback and response, I believe it's a sounder approach. The thing I like most about this approach is that it integrates values more closely with vision, strategy, and tactics.

The First Layer: Core Values

The process I'm now teaching begins with clarifying core values. These are the values of such transcendent importance to us that they remain constant, no matter what else changes in the organization. We may rebrand ourselves. Change our market position. Introduce a host of new products or services. But through all of these innovations, the core values remain constant.

For my own company, Strategic Leadership Development International, Inc. (SLDI), here are our core values:

- Integrity
- Trust
- Professionalism

- Quality products and services
- Exceeding what we promise

Whatever else we undertake, it must align with these core values.

Take vision, for instance. Some texts on leadership leave the impression that the starting point for defining your organization is the development of your vision.

I disagree. You start with your core values. Then you create the vision within these values. After all, vision changes with time. Microsoft's vision in the 1980s was far different from the corporate vision today. The same may be said of most companies with a lengthy and successful history.

Yet, while vision changes, however, core values do not. They are therefore the more logical place to begin defining yourself as an organization.

The Second Layer: Strategic Values

Vision statements take one of two forms. Some describe what the organization wants to achieve. Others describe what the organization wants to be known for.

One non-profit has the vision, "A world free of Alzheimers." That's what they want to accomplish. McDonalds, on the other hand, words its vision this way: "to be the world's best quick service restaurant experience." That's what they want to be known for.

To use my own company as an example again, our vision statement is "to help leaders anywhere in the world develop the full potential of their organization." Vision statements, by their very nature, require the organization to stretch itself. It therefore sets forth an aspiration that will require years to fully accomplish.

This vision then sets the parameters for strategy. Just as vision must align with core values, strategy must align with vision. And in doing so, strategy also aligns with core values.

Whatever the strategy, it is likely to demand additional values which do not appear on the list of core values. I call these "strategic values." They are values which must be consistently pursued if the strategy is to succeed. At SLDI our strategic values are:

- Subject-matter expertise
- Commitment to client outcomes
- Cultural relevance

You can immediately see how these values are essential if we are to execute the strategy effectively.

The Third Layer: Operational Values

Our vision, strategy, and strategic values become the foundation on which we build a mission statement. Whereas vision statements portray a desired future, mission

statements should outline what we are doing currently to further that vision. SLDI's mission statement is:

We help executives and entrepreneurs build strong, healthy organizations by excelling in their most critical roles and responsibilities. We provide professionally-delivered, high-value leadership development programs, customizing our services specifically for each client and serving the needs of leaders in every sector of the economy — public, private, and non-profit.

This mission statement accords perfectly with the vision statement and shows how we are currently executing against this vision. Again, however, certain supplemental values are needed to carry out this mission. I refer to these values as "operational values." For our company they are:

- Credibility
- Adaptability
- Clarity in communication
- High-value services and products

With a little reflection I believe you can see how these values support the mission statement, which supports the strategy and strategic values, which in turn support the vision and core values. These various statements of direction and principle work together to form a cogent, integrated whole.

The Benefit of This Approach

When an organization sets out to define its values and restricts itself to a single list of values, the final product is often a mixture of core values, strategic values, and operational values. I've seen this time and again. I believe that the approach I've just outlined gives greater clarity to the goals that define and drive an organization.

Not all of these values should be included whenever the organization describes its values to its various constituencies. When communicating with the public, with potential customers, and with vendors, the organization probably will restrict its discussion to its core values.

On the other hand, internal constituencies — executives, managers, and supervisors — must be readily conversant with both the strategic values and the operational values, as well as the core values. These values should also be regularly articulated to every worker. And they must be consistently followed in evaluating performance.

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