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The 'V' Factor: Thinking About Values as The Epicentre of Leadership, Learning and Life

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Abstract

This paper places the 'V' factor at the epicentre of meaningful and productive living, learning and leadership endeavour. It explores the authors' reflections upon their own professional experiences, research studies and review of the literature as they work towards establishing '*working with*' leadership practices appropriate for a knowledge era. This paper also reports on Nanschild's preliminary PhD research findings of "*A Values-Based Approach to Leadership Development: Implications for Organisational Change*".

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1. Introduction

I've never seen anyone derailed from positions for lack of technical competence. But I've seen lots of people derailed for lack of judgment and character... I see a real connection between what it takes to be a leader and the process of character growth...(Bennis, 1988, p 144).

When we reflect on a systems approach to human relations we can see that our subliminal value sets are at the very epicentre of human endeavour. Our values—and what we value—as individuals and groups, have the capacity to impact positively or negatively on our leadership, learning and day to day living. The art of productive living, learning and leadership is in fact intertwined and our values, espoused or otherwise, are deeply embedded in this trinity. The focus of this paper will be on the symbiotic relationship between values and leadership; but at the same time acknowledge that the concepts discussed here are also applicable to the trinity of leadership, learning and life as a whole.

There are two notions conveyed in this paper that require explanation. The first is '*working with*' leadership practices which is borne from the concatenation of theories and practices which encourage, support and value humane work practices. These theories can be traced back to the 1920's work of Mary Parker Follett (Graham, 1995) through the 1990's and the learning organization movement (Senge, 1990, for example) to the present day. The second is '*golden capital*' which succinctly encapsulates the worth of our own and our organisations' human, social and intellectual capital (Davis, 2006).

The authors accept the rationale behind '*working with*' leadership practices as described in the literature (see for example, Senge, 1990; Drucker, 1993, 1999; and Bennis, 1988). '*Working with*' leadership practices are indeed appropriate for a knowledge-based economy because such an economy is increasingly reliant on *golden capital*—the human, social and intellectual capital of its people as a central means to economic prosperity.

A statement widely attributed to William Gibson that "the future is here, it's just unevenly distributed" holds true here as the uptake and enactment of '*working with*' leadership practices are not as widespread or evenly distributed—across the globe, industry or even within organisations—as proponents may have expected by now. The impetus of this paper comes from our concern that there are still barriers today in establishing '*working with*' leadership practices over the hegemonic command and control '*working for*' management and leadership norms established for the machine-age industrial era. Our thinking, discussions, reading and research have led us to a critical consideration of the intangible barriers to transformational change in organisations and people with a focus on values as being chief amongst these.

2. The ‘V’ Factor

Values are deeply held beliefs that guide our everyday actions and behaviours. They are usually tacit and unexamined yet they lie at the foundation of the decisions we make and the actions we take based on those decisions. The literature tells us that our values rest in all conscious and unconscious decisions or choices we make and such choices are ordered via our unique set of value priorities (Hall et al., McCann, 2002; 1992; Schwartz, 1992) as described by Argyris as our ‘ladder of inference’ (2004).

People view the world through the lens of their personal values and expend high levels of energy to defend these values (McCann, 2002), whether aware of these actions or not. Whilst shared mutual values can lead to harmony, understanding and shared vision; a clash in values can and does cause conflict between people. Indeed, the clashing of values is often the root cause of failed change management initiatives and a reason for the slow take up of ‘*working with*’ leadership practices which are much more suited to the knowledge era.

An understanding of value priorities and how we come to hold these leads us to greater self-knowledge about ourselves and our own defensive patterns. Importantly, through this reflection brings an understanding that the ‘other’ will have deeply held belief systems too. It is upon this reflexive practice that we can engage in deep impact learning and effective ‘*working with*’ leadership practices for ourselves and our organisations. We call this acknowledgement of values as integral to ourselves and to our relationships with others as acknowledging the ‘V’ factor at work in our lives.

2.1 Foundation, Focus and Future Values

Thinking about the ‘V’ factor and other knowledge-based intangibles is one approach to interrogate clashing paradigmatic views because values serve as a bridge between the past, present and future. It has been acknowledged in the literature that the intangible cultural shifts necessary to move agendas forward, be they organisational or societal, have historically been shown to be the hardest shifts to make.

Anthropologists use social data and models from the past to provide a frame or a context for the future. The details of millions of years of history and hundreds of societies reveal patterns. When you understand these patterns of the past, culture is often the last system to adapt. Vestiges of old beliefs hang on long after the technological, economic and demographic systems have changed (James, 1996 p 22).

In Nanschild’s ongoing doctoral research to be reported here, the Hall-Tonna Values Framework (Hall et al., 1986) research instrument was chosen because it offered a way to measure a values continuum made up of interrelated sets of three types of values: *foundation* values, *focus* or day-to-day operational values, and the *future* values that exert a pull towards the future.

Foundation values lie in the history of people and organisations. Management futurists like Drucker (1999) and James (1996) employ pattern recognition—looking back to history—as a way of predicting the patterns of the future. History tells us that when significant shifts occur affecting the social fabric of society—the invention of the printing press, the industrial or information revolutions, for example—we as a society initially carry on with established ways of doing things. It took 58 years, for example, after the invention of the printing press for a non-biblical text to be printed.

Whilst history is a salient indicator of change, our *focus values* influence our day-to-day operations. *Foundation values* that have not been fully developed or matured will distort our *focus values* lens, such that we cannot move beyond the day-to-day operations to ‘see’ a possible vision of the future. Even today we see examples of the cultural lag described above by James (1996) in the proliferation of command and control mechanisms of the industrial era. Increasing reliance on compliance and surveillance, for example, are attempts to control order in an increasingly complex global, networked and information rich world. The

machine-age, scientific worldview of ‘if it can’t be measured it can’t be managed’ is still prevalent but it is no longer appropriate because this view does not acknowledge that the real key performance indicators required for success in the new millennium are likely to be intangible. We argue that the overuse of such control mechanisms and economic rationalist single bottom line practices are actually part of the problem, not a solution. This behaviour is an example of regression under pressure to outmoded *foundation values*, diverting energy from thinking about the true purpose of governments, learning institutions, organisations and individuals for the future. ‘Working with’ practices, based ostensibly on values, are an appropriate vehicle for moving this agenda forward.

Future values provide the motivation for developing new skills because they reflect the future aspirations of individuals, groups, organisations and communities. *Future values* clarify vision and have the potential to pull us into the future because they represent a vision worth aspiring to. This point is summarised succinctly by Hall and Joiner (1992) where they state that “leadership development begins with visioning. Each time we rethink our view of the world, new value priorities emerge” (p 23). An example of future values-in-action can be seen in the trend towards the triple bottom line approach of financial, social and environmental responsibility, where values and profits sit comfortably together. Bragdon (2006) makes a case for this approach where “companies that affirm life in their mission, vision, values and management practices attract the most loyal employees, strategic partners, customers, and investors—and produce exceptional financial results” (p 55). Bragdon provides empirical evidence that his research subjects—companies operating under a triple bottom line ethos—surpassed those of their peers in terms of average credit ratings, longevity and growth rates.

As Figure 1 below illustrates, the underlying ‘V’ factor at work in our lives is a dynamic entity. As values mature and fully develop they move along a values cycle. *Focus values* lead to the realignment of *foundation values* and the interplay between *focus* and *future values* produces value shifts; the process then begins again. *Foundation, focus* and *future values* then represent a set of conscious and unconscious priorities that drive behaviour (Hall et al., 1992). In organisations they drive organisational outcomes; in individuals they are a catalyst for change and drive learning.

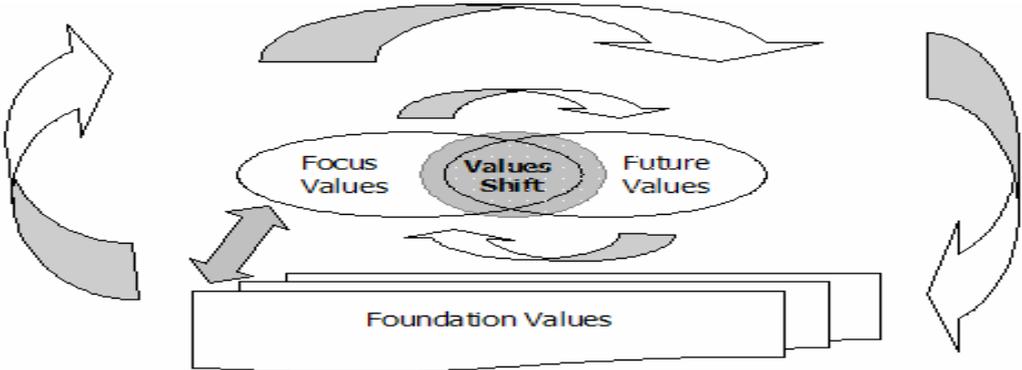


Figure 1: The ‘V’ Factor Dynamic

For organisations to fully leverage knowledge work and knowledge workers, an organisational change of mindset is imperative. The lag in changing the machine age worldview and practices is an example of James’s (1996) “vestiges of old beliefs” and urgently needs to be addressed in order to move to the more salient ‘working with’ leadership practices for contemporary times. To gain competitive advantage in a knowledge-based economy the *golden capital* of workers needs to be acknowledged, harnessed and leveraged and acknowledging the ‘V’ factor is a way forward.

3. The Research

As a Management and Education Consultant interested in developing the attributes of effective management, leadership and personal mastery, Nanschild is investigating whether knowledge of personal values has an impact on an executive's leadership style and performance and eventual effect on an organisation's ability to change. In an era of the rise of the gold collar worker (Wonacott, 2002) and the changing demographics of Australian society and its workforce, Nanschild further enquires into the notion that values-based approaches to management and leadership might play a significant role towards retaining and nurturing the workforce of the future in an environment of ongoing, rapid, chaotic, ambiguous and complex organisational change.

The research subjects were senior executives in the Australian Public Service. In equal gender ratio, their ages range from 32 – 65 years with one new to the senior executive service, one recently retired and the remainder with significant years of experience at this level. The research methodology utilised pre and post online testing of the Hall-Tonna Values Framework (Hall et al, 1986) and focus group interviews to collect qualitative data between the online surveys. Research subjects identified their personal values through an online questionnaire. Each subject received several aspects in their profile including their values priorities and subsequent values track result, and a narrative report on skills development required for adjusting their values track to achieve the *vision* values they desired. Subjects met as a focus group over a six month period and reported on their progress. They redid the values questionnaire at the end of the research period to indicate if any values shift had taken place as a result of their involvement in the research.

An analysis of the values of each organisation represented by the research subjects was also conducted, using software that processed content within the Hall-Tonna Values Framework. This was useful for comparative purposes. Research literature (Henderson et al., 2003; Hall, 1995, for example) suggests that individuals will be happier and more productive if their values strongly align with those of the organisation in which they work.

3.1 Key Findings

The overarching motivation for research subjects to be involved was their commitment to participate in a values journey, moving from an implicit values ('values silent') or unaligned values position to values-led leadership practice. Amongst the many discoveries that emerged, there are four key findings to report here.

3.1.1. *Values-based leadership*

Leader values are the guiding principles that determine leader behaviour, which in turn motivates and inspires follower behaviour. The connection between leader values and associated behaviours that foster high performance in themselves and others whom they lead is a central alignment to successful organisations of the future. Even when organisational values are articulated, they often do not lead to aligned behaviours. If followers don't see values-in-action, they become cynical of the process. What is needed is a meaningful way to identify values to create shared vision.

3.1.2 *Management by core values*

Other research has shown that the most successful, productive and enduring organisations are strongly values-based (Blanchard et al., 1997; Bragdon, 2006; Henderson et al., 2003; Kaplan et al., 2004). Such organisations recognise that values are the building blocks of workplace culture and therefore recognise the importance of an unswerving adherence to core values that drive performance, unify staff and result in effective decision making. The research subjects found that core values were indeed fundamental to their management effectiveness. Each created a personal vision statement that synthesised their chosen values to key words with explanations (core values) against which they purposefully developed their managerial skills

through action planning. They found this process led to an effective re-alignment of their management behaviours with their desired values. They recommended keeping organisational values to four key 'concepts' for simplicity and resonance for everyone in the organisation; for values-based management to work, values need to be woven deeply into the fabric of the organisation. Managing professionals, or indeed any knowledge worker, is of course famously difficult ("herding cats" is the usual metaphor) but if a value has been deeply embedded in the culture, any worker will be confident, for instance, when faced with a dilemma to "act in the best interests of the core value" (Henderson et al., 2003).

3.1.3 Language and interpretation around values

The research subjects found that using the term 'values' was itself value-laden because values are interpreted in different ways that can cause people to become confused and misunderstood. Research subjects reported that they had difficulties in engaging their staff in conversations about values because staff felt uncomfortable. Many of the research subjects reported that their staff had assumed they would be lectured about family values, religious values or some other value domain, when in fact the research subjects were trying to identify a common language to discuss the importance of having one's highest value priorities fulfilled in the workplace. In order to engage their staff in meaningful discussions about motivation, goals and purpose, research subjects found themselves rephrasing their language. For example, in conversations about values, they found that asking questions similar to "what do you like about working here?" was more effective than "what do you value about working here?" A common value statement this enquiry elicited was "collegiality...working with people who are dedicated and supportive and I enjoy working with". Nanschild's professional practice and research has led to her understanding of the importance of holding 'values conversations' as a crucial step towards gaining commitment and understanding in the workplace.

3.1.4 Personal values shifted, therefore behaviour shifted

Value shifts are cyclical in nature as deep learning is taking place. Real change doesn't happen until it happens inside people (Blanchard et al., 1997), such as through the adjustment of their personal value lens; that is, changing what they 'see with' not just changing what they saw. Awareness and understanding of one's personal values is an important first step in the process of self-improvement and behaviour change. All of the research subjects shifted in their personal values as a result of working on their value priorities. The majority shifted towards increasing consciousness about their actions and behaviours whilst two subjects shifted instead to focus on maturing and strengthening their foundational values.

4. Where To From Here?

Values-based leadership can have a significant impact on an organisation. Nanschild's research shows how leaders can examine the role of values and how leaders can develop their personal behaviour system. The research findings indicate that those in leadership positions need to be aware of and decide upon the value priorities that will drive their behaviour. True leaders create vision through articulating future values, then motivate, coach, inspire and align individuals to that vision (Bennis, 1988; Drucker, 2000; Kets de Vries, 2003; Senge, 1990). In the new workforce, inspiring people is a critical leadership challenge that requires highly developed interpersonal skills and emotional intelligence. In new times where professional and technical staff shortages are becoming an increasing concern, the establishment of '*working with*' leadership practices will be one way to counter this trend, and may well be the difference between attracting and retaining the right people in the numbers required to move an enterprise forward.

The emerging research findings confirm the literature around '*working with*' leadership practices. For example, a deeper understanding of ourselves, our strengths, weaknesses, value

sets and defensive patterns, is a clearly recognised requirement of the first two of Senge's (1990) five learning organisation disciplines—that of personal mastery and mental models which then enables the third discipline, shared vision—and impacts on the remaining two disciplines of team learning and systems thinking (pp 7-11).

5. Conclusion

A values-based approach to leadership, learning and life has the capacity to generate momentum and high performance if led and managed purposefully. Sound values systems give individuals a notion of deeper meaning for the organisation and in turn, a notion of deeper meaning for their role within the organisation. The end result is an organisation better equipped to achieve competitive advantage and future success. When used consciously the 'V' factor becomes a powerful driver to propel our leadership, learning and lives into the future.

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