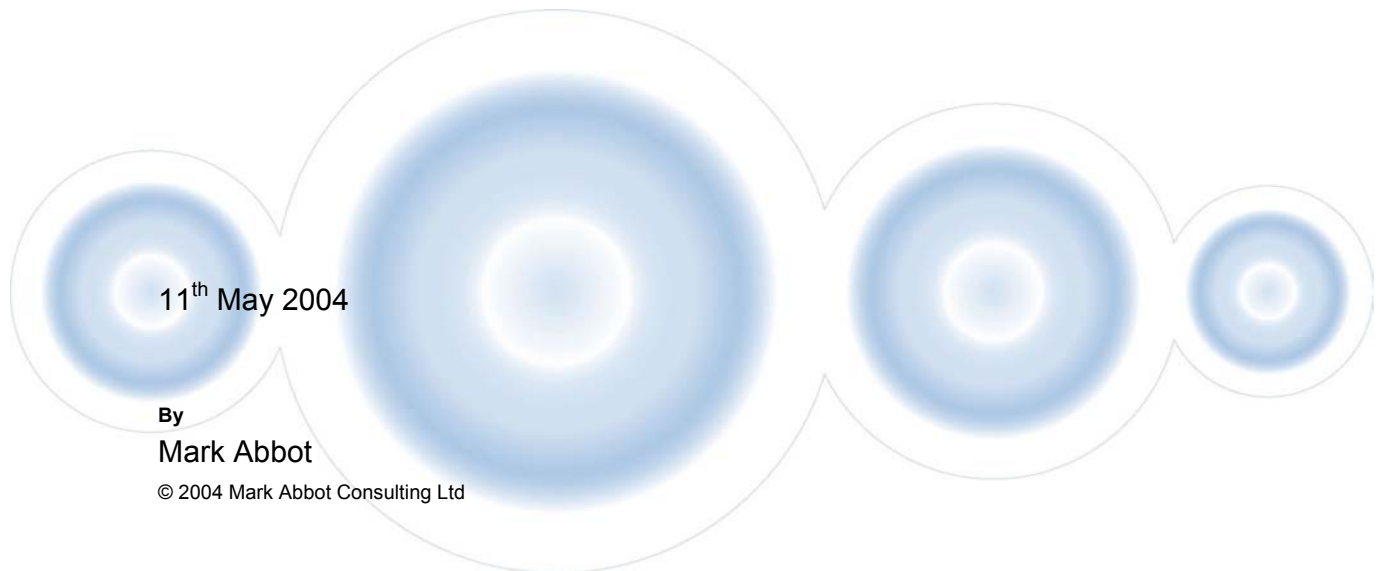


## Values Based Organisational Development

how it works and what to do with it



Mark Abbot Consulting Ltd is all about developing a cycle of enterprising success for those companies who partner with us. Our objective is to enable organisations to extract the maximum benefit and value from the business they engage in; to explore new avenues for success; and to assist in understanding what opportunities are available and what these can lead to.

## **What is a Values Based Organisation?**

The objective of a Values Based Organisation (VBO) is to generate business sustainability through relationship development.

Under pure values-based conditions, an organisation, its staff and suppliers, work to achieve common and stated values based on ethical principals and concepts. While this seems to be commonsense, the challenges of implementation are greater than many would expect. Particularly as these common aspirations are to be directed toward another grouping – a customer base – that is expected to find some association or alignment with these values.

For some companies, the focus on values remains on the inside; there is a clear distinction as to where the priorities lie and building a solid foundation from an internal cultural perspective is the priority. The translation to customer benefit can occur because these companies have an unswerving commitment to maintaining and upholding their cultural norm, although enacting this can often be difficult.

Others will view the customer set and attempt to manipulate their internal stance to maximise their benefit against a set of perceived cultural standards. They will not succeed unless they are able to realign the internal culture with the external needs, often involving personal pain and business disruption. Still others will balance the internal values availability with the external demand and set about to build a values structure that supports both the cultural needs of the workforce and the values perception of the marketplace. These will ultimately be the successful companies for in a VBO the values of the organisation are paramount, but these must always be considered around the needs of the customer, not the internal drivers.

## **So how do we capitalise on being Values Based?**

Firstly, the transition to a values-based organisation is not an exercise taken by those who are attempting to gain some mileage from a management fad. The strength of a VBO is that it takes its very core and puts this on display. Such a level of transparency will quickly highlight the opportunists and accentuate their underlying motives.

Secondly, being committed to a VBO is ongoing. It is not possible to engage and disengage and the commitment must come from the top. Deputising responsibility translates into a scant regard from, and for, management. Commitment to VBO is much like commitment to Total Quality Management or Health Safety and Environmental policies; unless owned, driven and lived at the top of an organisation it will never survive through it.

Thirdly, engaging on a VBO path is a seriously personal pursuit. The expectation is that there is sufficiently developed commitment and culture to generate a level of critical mass to convince your customers that yours is a company worth building a relationship with. If the messages are mixed the damage to a company's reputation is difficult to repair and the tarnish to the brand value is long remembered. Being VBO orientated takes that level of rhetoric often referred to as empowerment and makes it real; any distrust or

uncertainty concerning your staff will not make the successful translation to the market place possible.

A Values Based Organisation has, as its focus, the translation of internal behaviour of the business into the external environment.

### **Values, vision and strategy**

Organisations take journeys. Their destination is represented by their vision and tracked by their strategies. A useful mechanism to bind these two is the application of values to action. Less friction creates greater momentum. Where the organisation's values meet the needs of the market, and where the market demands align with an organisation's values you will find that transitional path of least resistance.

### **Do customers know what your values are?**

And if they do, do they really care? You can promote and advertise them in any form of media or collateral that you choose but it is debatable whether or not that will reach your target. Your customers will clearly know what your values aren't by your actions. To demonstrate your brand values an organisation can position through its brand proposition, where the brand stands for everything that the company holds, believes, and attempts to take to the market. This support is found by ensuring a level of consistency in every aspect of contact experienced or exercised with your customers, both internal and external.

And, yes, your customers do care about what it is you stand for.

### **Does this support a renewed focus on internal marketing?**

Perhaps so, and the first challenge for most organisations is to assess their brand position. Where does the position originate? Is it derived from an understanding of the company or is it an articulation of an understanding from the market? Both options have challenges associated with their delivery. An internal orientation that focuses on the attributes of the business, its heritage perhaps, or its existing internalisation, runs the risk of alienating its customers where the alignment is not totally engaged. For example, as a business grows the demands on it to change its processes and approach to its markets change with it. Pressures of growth need to be carefully considered and their impact assessed on the ability of a business to maintain a required standard of service and customer focus. An internal culture can be preserved, but this level of preservation must remain aligned with the external needs of the business.

Likewise an external orientation that focuses on the needs of the market only can run into problems. Where market entry or maintenance decisions are being made that are opposed, or even partly displaced, from the internal expectation or level of security of the organisation, this will lead to resentment that will ultimately surface both internally and externally.

The considerations are whether or not organisations fully understand their market expectations. Do they have a clear and uncluttered view of that space in the market they want to occupy, and are they comfortable with the demands that holding this space will bring? Then the counter is to determine whether the current internal orientation matches that external perspective, or whether it is possible to align toward that, and how this should be done.

### **So what does all this mean?**

I would be surprised to find many instances where there is natural alignment of the internal culture with the external marketplace. Few are naturally predisposed to change and will generally resist where they don't have a compelling reason to be flexible. Expecting that the internal position will maintain pace with the outside world is unrealistic, as is expecting to have the luxury of choosing a market position that satisfies the internal perspective solely.

The challenge is to continue to monitor both fields and simultaneously work on the value proposition where the internal culture is developed and nurtured to support the market efforts, and where the market is understanding and appreciative of the values that the business holds. Market and customer support and service orientation, balanced by staff support and development can achieve this. Vodafone and Toyota do it. Certainly these are large companies with resource to match, but it's not difficult for smaller organisations to do it either. The challenge for the larger companies is usually the complexity of cultural fit that arises from having a big staffing level.

This level of internal change against external orientation is part of the company's journey too. Taking it ensures flexibility and fluidity to provide a responsive and dynamic engagement in a marketplace that is often cluttered and complex and difficult to navigate at the best of times.

