



Values-based Leadership

the secret to sustainable, extraordinary results

A White Paper by Davis H. Taylor



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- Davis H. Taylor

Organizations live and die by their leadership—ultimately, it's the leader's effectiveness in *creating vision for a preferred future and establishing an appropriate values-driven culture* that determines organizational results.

Leaders and their organizations can best execute their mission and achieve superior results by first addressing the foundation of behavior and performance—personal and shared values. *Values determine behavior and behavior determines performance.*

Values-based leaders effectively engage, motivate and develop their followers, establishing a culture that enables transformational sustainable change, resulting in effective execution, innovation and outstanding performance.

Why Values-based Leadership?

Corporations today seem adrift in a sea of change. We experience a truly global economy. Innovation and change are happening at astounding speeds. Competitive pressure is far greater than it ever has been. In the midst of these pressures, most corporations claim that people resources are their primary competitive advantage—yet, according to a widely acclaimed study by the Gallup Group, less than one-third of the work force is actively engaged in their work—the rest are just putting in time, or worse, actively working against the organization.

Additionally, a 2015 World Economic Forum study revealed 86% of respondents believe there is a leadership crisis in the world today, a crisis that stems no doubt from poor behavior by leaders in virtually every walk of life. Not only does bad behavior violate laws and regulations, but more tragically, it erodes trust.

“The greatest challenge of values-based leadership is to break through the barriers of cynicism and mistrust which often characterize the relationship between leaders and their work force. People have been accustomed for so long to be led by individuals who seldom deliver on their promises that mistrust is ingrained” (leadershipforlife.wordpress.com).



The antidote to this problem is Values-Based Leadership (VBL). VBL is a leadership philosophy that enables leaders to create and lead values-driven organizations that are energized, equipped and organized to achieve powerful goals.

Often the question is asked: “Are leaders born, or are they made? Interestingly, the answer to both is a resounding —yes!” The fact is, while some people seem to have innate leadership talent, others work at developing leadership ability. Most all of us lead in one capacity or another at some point in our lives. Leadership is really about influence, and regardless of our natural gifts, we can develop and demonstrate excellent leadership ability—*how* we impact those we lead. We influence others only after we’ve earned and established their trust.

The Values-based Leadership philosophy focuses on *who* we are and *how* we behave rather than what positional power we hold. True leadership is about earning authority through our example and actions so that people *choose* to follow us. Leadership is not about positional power or the ability to make people do our will. Perhaps Peter Drucker said it best: “If you think you are a leader and no one is following you, you are just out taking a walk.”

What is Values-based Leadership?

Values-based Leadership (VBL) is a leadership philosophy that brings value to customers, to suppliers and to shareholders—without focus on personal gain. It is about creating value for the sake of the organization and its mission, for the sake of society as a whole. It is when leaders embrace VBL that they realize personal fulfillment and lasting significance. Through the *selfless* pursuit of worthy goals individual leaders can attain legacy and lasting impact. Perhaps this notion sounds like a lofty ideal—in reality it is the foundation for true leadership success.

The essential characteristic of values-based leadership is the deep-seeded belief that the welfare of customers, employees and suppliers is the end of leadership—it is not the misguided belief that people are the means to a leader’s goals.

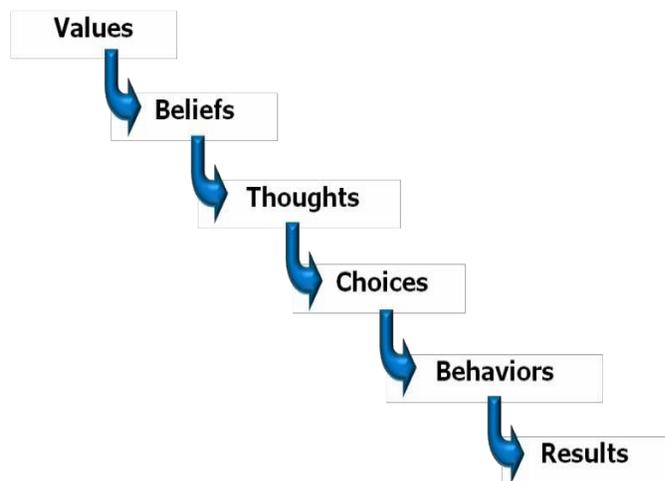
Why Should Leaders Embrace VBL?

- Values-based leaders create an environment of trust—trust is the single most important factor enabling groups of people to accomplish anything of lasting value.
- VBL is the right thing to do. Values determine our behavior—values precede ethics, values precede diversity and values precede performance. Values lived-out engender high trust.

- VBL is statistically proven to deliver excellent results over long periods of time (*Good to Great*, Collins, 2001).
- VBL can be implemented in a practical manner in order to establish a high-trust, high performance corporate culture.

How Values Determine Performance

Values govern behavior and behavior determines performance. Take, for example, the value of integrity: When leaders *value* integrity, it leads to the *belief* that being honest and authentic is important and makes a positive difference in working with others. This belief leads to *thoughts* about how they might demonstrate integrity through words and actions, which governs their *choices* about doing what is right, about telling the truth, about doing what they say they will do. Integrity-oriented choices result in *observable and measurable behaviors* that build trust with employees, customers, suppliers and shareholders. Collective behaviors determine specific performance, *performance* that develops a trust-culture, thereby creating an environment for flawless execution, creativity, innovation and commitment, through engaged employees and loyal customers—and ultimately results in positive growth and significant return-on-investment.



“Right” Versus “Wrong” Values

For those who may be skeptical about a value being “right” versus one that may be “wrong” consider this example: Imagine sitting on the shore witnessing a sunrise or sunset with a group of friends. If you ask each person to describe what they are seeing, using only one word, responses may include: *awesome; majestic; peaceful; beautiful...*and most people would agree that these words describe positive attributes of the scene in front of them. So the question is: “How do we know it is *beautiful*? Why don’t we think the sight is *ugly*?” The fact is, something inside us informs us if something is beautiful or ugly, if conditions are positive or negative, or if behaviors are good or evil. And so it is with values....



Values and Corporate Culture

“Culture eats strategy for lunch.” -Richard Clark, CEO Merck

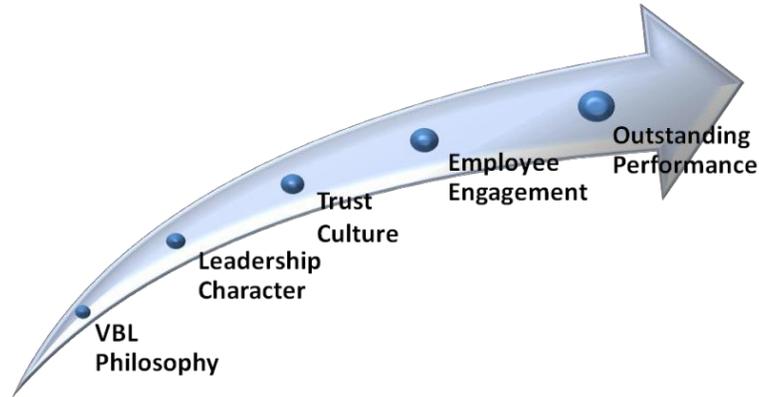
Contrary to conventional thought, it is culture, not strategy, that determines and produces corporate results. Values-based Leaders create values-based cultures that deliver predictable success and positive results through:

- Accountability and execution (performance)
- Energized/motivated employees (employee engagement)
- Greater operational effectiveness (productivity)
- Improved organizational efficiency (cost control)
- Innovation (sustainable growth)

Leaders who create a values-based corporate culture thereby energize and equip employees to achieve powerful goals. As one senior executive in a global financial institution said: *“Values-based Leadership is clearly the best alternative to organizational development. It is the most rapid method to transform an organization in a sustainable way. One can argue that values-based behavior is the only way that an organization can achieve longevity and relevance.”*

How VBL Impacts Culture

1. Leaders embrace VBL in their words and behaviors.
2. They understand the *current reality* and create a compelling vision for a preferred future while establishing behavioral norms necessary to create a corporate culture that produces desired operational results.
3. From this cultural foundation, leaders motivate employees who are aligned and engaged to effectively execute the mission, resulting in excellent execution, innovation, enhanced morale, improved efficiency, increased productivity, and greater operational effectiveness.
4. These attributes combined produce satisfied customers, repeat business and referrals which naturally generate revenue and profit growth.



5. The result? Value is created and the organization produces sustainable results while delivering outstanding ROI to shareholders.

The Indispensable Trait of a Values-based Leader

Tactical execution of the mission requires appropriate behaviors (*culture*) focused toward achievable goals (*strategy*) to realize a preferred future (*vision*)—vision and strategies are seldom worthwhile in the absence of innovation, enabled and brought about by the desired culture.

While leaders may create strategy, strategy is executed at the base levels of an organization. It is humility that enables the leader to connect with the lowest level of an organization to ensure appropriate execution and to achieve desired results. Humility is the one indispensable trait of values-based leaders because leaders who demonstrate true humility are best able to motivate followers to high levels of execution and performance.

Humility precedes any success we may hope to achieve; it precedes any glory we might seek, and it precedes any honor that may come to us. According to Richard Foster: *“Self-fulfillment comes only through self-denial. The most certain way to miss self-fulfillment is to pursue it.”*

What is Humility?

“Most of us in our heart of hearts believe that the world revolves around us.” - Anonymous

Humility is the basis for the other values. Considering humility within the framework of VBL we see that personal honesty reflects the value of integrity. *Forsaking personal ambition* and *refusing arrogance* correspond to an aspect of humility. Demonstrating *care* and *respect* suggests compassion. Serious *commitment to selfless goals* reflects purpose-driven behavior.



Perseverance in the face of hardships requires courage. Personal *responsibility* equates to accountability. And one who genuinely *appreciates others* demonstrates gratitude.

Humility is a vital truth that connects leaders to others. It's what makes them approachable and allows dependency on others—humility is the power of understanding that *I* can't, but *we* can. For the follower it actualizes the collective power in community. For the leader it is manifested in the power of the team—the power of *us*.

So What Now?

If we engage in the practice of leadership to further our own goals and reputation, we inevitably will create an environment inviting our followers to do the same, thereby enabling self-focus to run rampant throughout our organizations. Self-focus does nothing to benefit positive organizational results; it serves merely to achieve personal results at the expense of the organization.

Leaders who wonder why dysfunction derails progress at every turn might do well to consider a personal change of direction, embracing Values-based Leadership as the catalyst for transformation, for organizational health and achievement.

Transformational leadership seldom is an *all or nothing* proposition. Most leaders are neither great nor terrible—we are simply imperfect. Transformation occurs when we acknowledge our imperfection and set the growth process in motion.

"If we don't change our direction, we're likely to end up where we're headed."

- Chinese Proverb

It's up to you....

TAI INCORPORATED WORKS WITH ORGANIZATIONS TO
HELP IDENTIFY THEIR CORE VALUES AND TO HELP
MAKE THOSE VALUES "LIVE" IN THE WORKPLACE.