

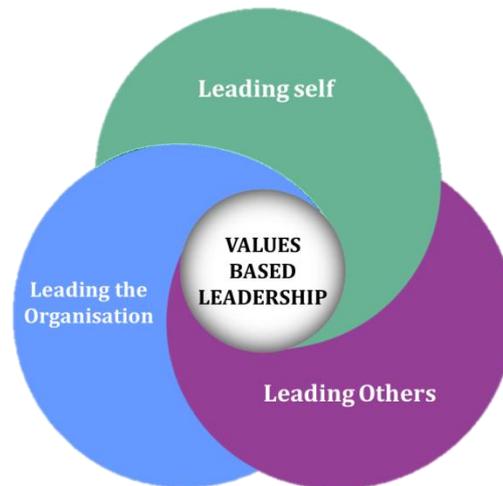


Values Based Leadership

Developing Inspirational Leaders

Values Based Leadership

by John Frost and Karen Frost



The concept of values-based leadership is probably more relevant today than it has ever been. There is no doubt that, even if our clients and colleagues don't refer to it by this name, there is now an acute understanding of what we connect to and, just as importantly, what we do not connect to. Furthermore, we use this connection to make decisions about our lives: the places that we want to work, the products and services that we choose to buy, the leaders that we will follow. Issues in both financial services and other sectors over recent years have sharpened our awareness as to what we expect and want from leaders and organisations. And if we define that still further, we are looking for a values-based approach that gives us some form of connection. The impact of social media means that your organisational brand and values are not what you say they are but are what your colleagues and clients say they are based on their experience of your organisation. That is also true for us as individual leaders. What people experience of us, as leaders, is how they connect to us and the values that we bring to our leadership role.

At Values Based Leadership Ltd (VBL), our experience of working with many organisations in a variety of sectors across the world shows that the most successful, sustainable and enjoyable organisations to work for put time and energy into developing a strong values-based culture that underpins their performance. So we decided to decode how these organisations develop and maintain a values-based culture.

Values-based leadership requires leaders to be courageous. There can be difficult decisions to be made, well entrenched beliefs to be challenged and leadership behaviours to be changed when following a values-based approach. This does not always promise an easy route for leaders and taking these decisions requires courage. Humility is another important factor. In an interview with Harvard Business review last year, Paul Polman, CEO of Unilever since January 2009, said, "I am just starting to learn". Paul identifies retaining humility as critical to his success as a CEO and it is vital to all leaders in a values-based organisation as it facilitates learning, growth and change.



Values Based Leadership

Developing Inspirational Leaders

In addition to courage and humility a number of other factors need to be in place to bring values-based leadership to life. To test these factors we need to ask three important questions of leaders. Firstly, are they willing to learn? Leading values-based organisations is a dynamic process and one that requires people to constantly be learning and evolving their thinking.

Secondly, do they want to lead? Often people find themselves in a leadership position by default without really considering whether they want the responsibility. At the core of values-based leadership are leaders who relish the challenge and the responsibility of leadership. Finally, are they able to deal with the change and ambiguity that exists in organisations? Do they have the skills and knowledge to lead in an ever changing environment without being overwhelmed by the complexities of leadership? Values-based leadership gives leaders and organisations the flexibility to lead through ambiguity and change.

When these three factors are in place we believe that the three dimensions of the Values Based Leadership Model come together in a powerful way to lead organisations.

1. **Leading Self**
2. **Leading Others**
3. **Leading the Organisation**

When all three dimensions work well this leads to...

- Sustainability – a sustainable and dynamic organisational culture that has the agility to change and create long term repeatable success
- The emotional connection and engagement of both employees and customers with the organisation
- Organisational agility – the ability of the whole organisation to be responsive and adapt to the changing environment within which it operates
- Authentic Leadership – values-based leadership wins the trust, respect and confidence of the people in the organisation

Leading Self

Values-based leadership starts with you as a leader; how effectively you lead yourself and the personal values that define you as a leader. When we talk about values in a self-leadership context we are referring to behaviours - not just words - and consistently behaving in line with your stated values. This means having the self-awareness to understand who you are and what is important to you as a leader. It also means being prepared to show courage and the humility to role model your values to others which brings an authenticity to your leadership. We find in our work with leaders that this leadership authenticity, perhaps more than any other single factor, has the most powerful impact on drawing followers to leaders.

Personal values are about you, who you are and what you stand for. What you do, how you behave and why. Leaders who are aware of their personal values take the time to explore them and identify what they mean to them. They know what their values are and what underpins them. This gives leaders a frame of reference for the key decisions they make in all aspects of their life, not just in the business context. Using values actively around decision making builds a leader's internal confidence and provides consistency in behaviours which allows others to build their confidence in you.

Self-awareness is a never ending journey. Having the skills and the courage to ask yourself the important questions in the moment is based on many years of self-awareness development. It is not easy to do; it requires an approach that makes the development of your self-awareness a habit. So that, in the moment, when you need to ask yourself a difficult question, you are able to do it in a balanced and considered way. To know and understand yourself first and foremost is a powerful leadership skill that enables you to know and understand others.



Values Based Leadership

Developing Inspirational Leaders

Self-reflection is about creating the time and commitment to consider what is happening. Putting aside personal reflection time in a way that works for your preferred way of learning will guarantee a more considered way to your style of leadership. It will enable you to come to important decisions in a timelier manner.

Self-management is the process by which all of the above happens and continues to happen. It is how you as a leader manage the resources around you to consider and understand your values, develop your self-awareness and take time for personal reflection. Without self-management underpinning Self-reflection, Self-awareness and Personal values, none of them happen in a way that develops your leadership skills, now and into the future.

Case Study

Rob Webster is Chief Executive of the Leeds Community Healthcare NHS Trust and he is a great example of how a values-based approach starts with the leader. Rob is very open about his values with his colleagues and continuously seeks feedback from them on how consistent he is being with those values.

As Rob puts it:

“Whenever I start a new job or get introduced to new members of staff, I talk about what I value first because I think that’s really important, not only for authenticity, but also for a connection with them..... All my subordinates and peers have the opportunity to question if I am living my values. I would hope that I would know when I am not in the right space from the feedback that I get. It’s like building a muscle. You just have to be courageous enough to follow your values.”

Rob understands that, in taking a values-based approach he is committing himself to constantly learning and growing as a leader. He also knows that, as the Chief Executive, his authenticity as a leader and how he wins the trust, respect and support of the people in the Leeds Community Healthcare NHS Trust is based on living his values by

practicing the behaviours that he is expecting of others. So his values also give him a frame of reference to make key decisions, the tough ones and the easy ones. They support Rob in leading and managing himself and in doing so enable him to engage people around him.

Leading Others

Leading others in a values-based culture means you, as the leader, helping groups to identify how they are going to work with each other. This incorporates team values, a combination of trust, respect & support, collaboration and finally interdependency. Team values represent the collective values of the whole team. Leading others is about a willingness to lead people so that you, as their leader, are able facilitate opportunities for the team to identify and commit to team values. Then they know who they are, how to work to their strengths and how they work together to become a highly performing team.

This work creates an environment of trust, respect and support in the team. As a leader you can give them the permission to make time to building trust, respect and support. You can also enhance and develop the right environment by role modelling the values through self-leadership, listening, understanding and a total commitment to the team.

One of your jobs as the leader is to develop high levels of collaboration in your team - a combination of high levels of assertiveness and high co-operation. With these elements in place the team is able to be open and honest with each other in a way that creates a healthy balance between challenge and support. Team members need to have the confidence they can assert themselves and be able to co-operate effectively and interdependently with other members of the team to get good outcomes, make decisions and take ideas forward.

Case Study

At VBL we are privileged to work with people who are leading others in a values-



Values Based Leadership

Developing Inspirational Leaders

based way. In 2013 we have been working with a group of young leaders from Cool Logistics (Division of DS Smith). We asked the group who their role model leaders were. A number cited Nicki Harris, the Operations Manager of Cool Logistics. We asked them how Nicki gives them a connection with Cool and their role in the company. Their answer lies at the heart of values based leadership. They told us that she builds trust with people and sees the potential in everyone. She also takes time out to listen to them and to coach them to really explore their potential. Perhaps most of all she shows that she believes in them as people and enables them to find better ways of working together and supporting each other. Nicki is humble enough to say that she has more to learn when leading others. However, her desire to learn and develop herself has clearly made her a great example of how values-based leadership is engaging others.

Leading Organisation

At an organisational level values-based leadership is about creating connection: a connection with the purpose of the organisation, a connection with the vision for the organisation and a connection with the values that will underpin the purpose and vision.

Connection with the purpose means understanding why the organisation exists. Simon Sinek, in his excellent TED session, talks about the “why” for organisations. His argument, that real connection to an organisation starts with understanding the “why” (purpose) of an organisation, is fundamental to leading a values-based organisation.

Steve Jobs had many critics for some elements of his leadership style, but he understood how to connect people to a purpose and vision and to Apple’s core values. And he did this, not just in words, but also in his actions. By being clear on Apple’s purpose and values he understood that the great products would naturally follow – and they did. When we connect

people in this way, values-based leadership often leaves a legacy well beyond the tenure of the leader themselves.

Many organisations have values and these values are clearly communicated on their websites and throughout the working environment. However, it is often the case that the values and expected behaviours have little resemblance to the culture and what actually happens in the organisation. In other words the written values and the actual values differ. If there is not a connection to the values, leadership behaviours are unlikely to be consistent with the values and the leaders themselves are unlikely to demonstrate the courage and humility to learn and develop in line with the values. When this is the situation, identifying and communicating organisational values can actually do more harm than good.

When VBL is asked to work with an organisation on values implementation we always start with the leadership team. It is important that the top team understand what they are taking on by following a values-based approach and the implications for their own growth and development - as a team and as individuals. It’s not always an easy conversation, but an essential one if the leadership team is to be seen as authentic and engage others in the values. As Mahatma Gandhi said, “You must be the change that you want to see in the world.”

The top team have to be connected to the purpose, vision and values in order to engage others. To be successful this has to be a personal emotional connection – the values actually represent the beliefs of the leadership team. When values-based leadership comes from beliefs, then consistent behaviours will follow. When what the leadership does matches what it says, then they will win the trust of the organisation. Rob Webster, who we referred to earlier in this article, says about this:

“The Board and the Executives set the tone - even if they don’t want to - they do just by



Values Based Leadership

Developing Inspirational Leaders

the way they act. As part of a Board, I always start with us writing down explicitly that we do set the tone as part of our job. Part of our job is to make sure that we lead in the right way and demonstrate from our behaviours how we want things to be, because everybody is watching all the time.”

Case Study

Paul Poleman is Chief Executive of Unilever. As the leader of the company since 2009, he has identified some significant strategic growth targets for the business. He is clear that to lead organisationally he needs a personal connection with the values of the Unilever:

“If your values, your personal values, are aligned with the company’s values, you’re probably going to be more successful longer term than if they are not. If they are not, it requires you to be an actor when you go to work or to be a split personality.”

Leadership for him means connecting himself, his team and the people in Unilever to the purpose and values. One of the ways that he articulates this purpose is in the way that Unilever is connected to the wider global community. For him the success of Unilever is intimately connected with improving the lives of others. So for him:

“A form of leadership that is very appealing to me, is (for leaders) to put the interest of others ahead of themselves...”

At Unilever, we’ve translated that very simply into our brands. Because at the end of day, our brands need to grow, but we think it’s very important that our brands have what we call “the social missions.” Ben and Jerry’s is a good example of that—a key fighter against climate change and nuclear weapons. But we have other brands: Lipton with the Rainforest Alignment on sustainable tea, and Dove with women’s health awareness,”

The interconnection of the three dimensions of Values Based Leadership is where the most powerful values-based connections occur. By contrast, when your personal values are out of line with the

values of the organisation and team that you choose to work for, this creates an internal conflict. And others will see this reflected in your leadership. Having a strong and successful team, but not connecting to the purpose of your organisation could develop a rift between what you and your team are actively doing and what the organisation needs from you. When an organisation does not connect its teams and people with their purpose, vision and values, then how can that organisation engage their people to perform to the highest level of their abilities and create extraordinary successes like the ones achieved at Apple?

As individuals we can all use values as the basis for our leadership. Whether we are thinking about leading ourselves, leading others, or indeed leading at an organisational level, we are asked to make decisions every day. When our choices are values-based, the decisions, easy or tough, will have a positive impact on how our leadership is received, on how we connect with others and about how we engage them in what we are trying to achieve.



John Frost is Managing Director of Values Based Leadership Ltd.



Karen Frost is Director of Operations for Values Based Leadership Ltd.