
Leadership that Values - Improves the Bottom Line

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I don't know any CEO of any organisation that, given the understanding of the long term impact on the organisation, would turn down an opportunity to increase the profitability of their company.

In a recent survey undertaken by Development Beyond Learning we found, despite this fact, there are many CEO's that are missing the impact that "Leadership that Values" has on their bottom line.

Whether you agree with great leaders of the past such as Chhatrapati Shivaji or Gandhi from India, William Wallace "Brave Heart" from Scotland or Dr Martin Luther King from the USA, what they all have in common is that they all led their followers by tapping into the values that were important to their followers. Not the high level values but the base values. The values of freedom, truth, love, independence, non-violence, and the dream of a better life where all were equal.

What does this teach us as industrial leaders of today?

As Steve Jobs, the co-founder of Apple Computer, put it, "The only thing that works is management by values. Find people who are competent and really bright, but more importantly, people who care exactly about the same things you care about."

Recently my staff and I visited a number of companies in Pune, first with the intent of looking at how they were developing their greatest asset, their people. The interviews and research soon turned into a review of one of my pet projects, how "Leadership that Values" effected the bottom line of the companies we visited and surveyed.

We found a group of companies that were focusing on their values and the values of their people. We found some that clearly were not. An interesting fact emerged. Those that were focusing on their values indicated their staff turnover was less than 15% p.a. While those that did not, told us they were experiencing staff turnover in the order of 40% p.a. or greater. Those that focused on values had good working conditions, the office looked clean and tidy. The same could not be said for those that did not focus on values.

Values-based leadership is a must in modern organisations. Values are often the only thing that separates you from other employers. Values are often a bigger drawcard than extra cash. One values based organisation we visited told us of few employees that had left to gain more money only to be disappointed and want to return when they saw that their values did not align with the new organisation they had joined to get the extra cash.

Values-based leadership is about ideals and values. It is about understanding the different and conflicting needs of followers, energising followers to pursue a goal greater than they had first thought possible. In practical business terms, it is about creating conditions under which all followers can perform independently and effectively toward a single objective, while at the same time feeling part of a team and realising the individual values that are important to them. This means that leaders need to understand what is important to their staff. What are their values? How does the work the organisation is doing contribute to the values of the individuals working for the organisation?

Maslow in his hierarchy of needs puts this discovery process at the "Social - Belonging" needs level. Maslow says unless people are fulfilled at this level they cannot "Self Actualise" and they will keep searching until this need is fulfilled. How many of your staff falls into the "Still searching" category?

Are you providing Values based Leadership?

During our work with CEO's around the globe we often ask "What do you know about your employees?" "What motivates them, at work, at home?" If you or your middle managers don't understand this simple principal then you can't motivate your staff and your attrition rate will remain high and this will affect your bottom line.

To put this in simple terms, if I as a leader want to get you to come on a journey with me I need to understand what motivates you to come on that journey. If one of your values is to explore, then it is little use me telling you "Come with me. You will be safe the journey won't be much different from being here at home" Or if you want to feel safe, me saying "Come with me, it will be a great chance for you to explore new things". If I link the journey to your values, I no longer have to motivate you. You are now following me on that journey because you want to, and your values motivate you to come with me.

There are many managers who don't realise the importance of values. (I said manager not leaders) Many are managing their staff in a way that will mean they will have to continue to manage them until they leave. And guess what, the manager will always find it hard to manage that person.

"Every single person you meet has a sign around his or her neck that says, 'Make me feel important. Know what is important to me. 'If you can understand that, you'll be a success not only in business but in life as well.'" – Mary Kay Ash, of Mary Kay Cosmetics.

At Harvard Business School they believe that leadership and values are inseparable. The teaching of ethics is explicit, not implicit, and their Community Values of mutual respect, honesty and integrity, and personal accountability support the Harvard Business School learning environment and are at the heart of the School-wide aspiration: to make Harvard Business School a model of the highest standards essential to responsible leadership in the modern business world. Their values are a set of guiding principles for all that they do wherever they are and with everyone they meet. If it's good enough for Harvard Business School, isn't it something you should employ?

Not motivating enough? Let me try that again the "Leadership that Values" way. If I could show you how to improve an area of your life that you value, by employing this principal would you do it?

Do you want to be a "Leader that Values?" The questions you may need to ask yourself are "Why?" "What are the things that will drive me to be that leader?" "What is motivating me to want this?" "What are thing things that I value that will be enhanced by being a "Leader that Values"?"

Once you understand that about yourself, you will be able to understand how to motivate the greatest asset you have, your people, and by applying this principal you like the great Tata organisation will see the results on the bottom line.

In future articles we will be looking at how leaders can effect change that sticks, are leaders born or made, the role of coaching and the leader, negotiating to gain the advantage, self esteem the great blocker to motivation, and is sales a process or a conversation. We welcome your comments on these articles. To provide your comments or for suggestions for other articles you would like to see. Please do this by logging onto our web site at www.dblearningindia.com or sending us an e-mail at info@dblearningindia.com.

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