

Improve Your Business Through Values

These critical issues are preoccupying the boards of organisations around the world today:

- ▶ How to attract and keep talented people?
- ▶ How to release creativity and lift performance?
- ▶ How to manage with fewer resources and add shareholder value?
- ▶ How to maintain social responsibility and ethics in the corporate culture?

Values create competitive advantage

Building a successful culture has become the most significant source of competitive advantage and brand differentiation in business today. Who you are and what you stand for is becoming as important as the quality of products and services you provide.

Why are values important?

- ▶ Values create and drive culture
- ▶ Culture drives employee performance and motivation
- ▶ Employee motivation and behaviour drives customer satisfaction
- ▶ Customer satisfaction creates shareholder value

'Values-driven organisations are the most successful'

Research shows there is a strong link between financial performance and the alignment of an organisation's values with employees' personal values.

Corporate Culture and Performance, John Kotter & James Heskett

A study of 10 firms in 20 industries, carried out by Kotter and Heskett of Harvard Business School, found that firms with a strong adaptive culture based on shared values, outperformed firms with rigid or weak cultures by a significant margin.

They also found that these companies had job creation rates seven times higher, stock prices that grew 12 times faster, and profit performance that was 750 times higher than companies that did not have shared values and adaptive cultures.

Built to Last: Successful Habits of Visionary Companies, Jim Collins & Jerry Porras

Also show that companies that consistently focused on building strong corporate cultures over several decades outperformed companies that did not focus on culture by a factor of six and outperformed the general stock market by a factor of 15.

Measurement matters

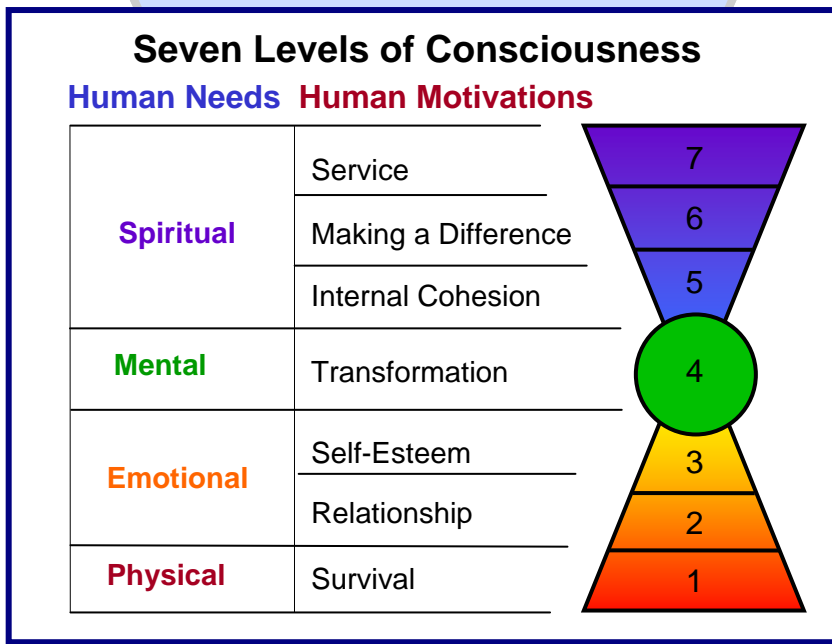
Traditionally, intangibles such as culture and values have been difficult to measure and, therefore, have not been included as part of manager's key performance indicators.

In 1997, an innovative set of assessments that map the values of individuals and organisations was developed called **Cultural Transformation Tools®**. This assessment is a diagnostic report of an organisational culture and a roadmap for continuous improvement, leadership, team and organisation development. There are Individual and 360° Leadership Values Assessments that provide powerful coaching tools to support cultural transformation.

Cultural Transformation Tools®

The Cultural Transformation Tools® (CTT) are based on the Seven Levels of Consciousness model. They allow the organisation to measure the alignment:

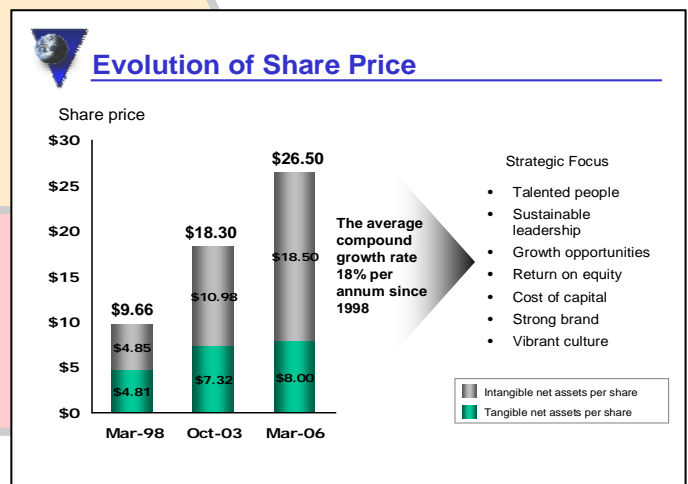
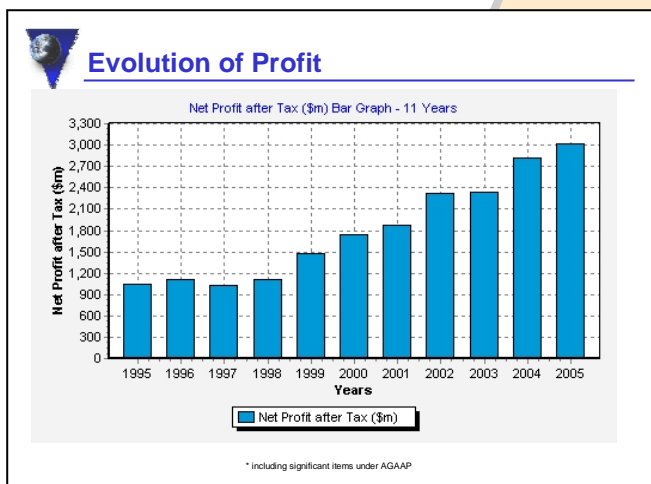
- of employee's personal values with the current organisation culture, and
- between the current culture and the desired organisation culture.



Proven success

In 2000, ANZ a noted Australian Bank used the CTT assessment to understand its current values and to begin work on a programme of cultural transformation.

Between 1999 and 2004, the level of employee satisfaction rose from 49% to 85%. A shift in employee values was accompanied by a significant improvement in shareholder value and profitability.



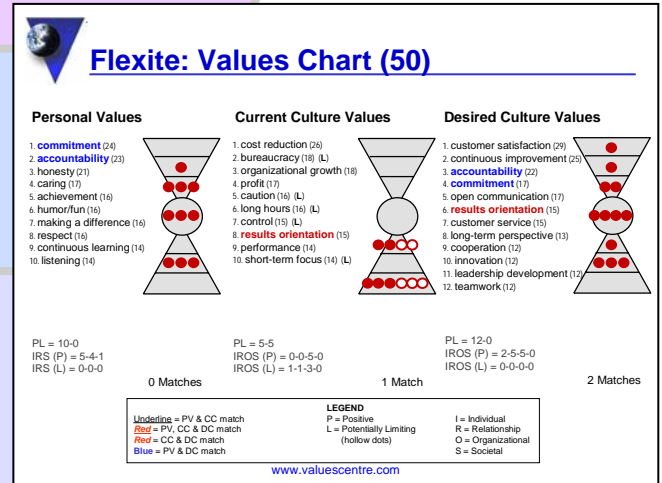
What information does a Values Assessment give?

We start by working with senior executives to design a customised on-line values assessment that reflects the nature of the business and the survey participants. The survey results are presented as a variety of charts and reports:

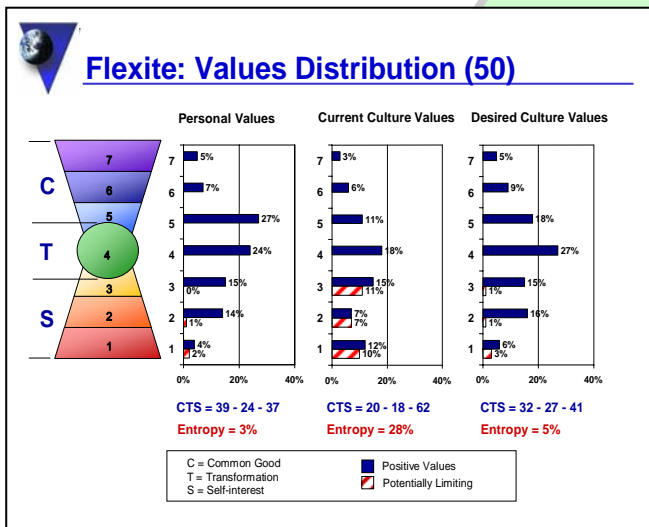
1. Values Chart

A Values Chart shows the alignment of the top Personal Values, Current Culture Values and Desired Culture Values.

It identifies the priorities of employees in your organisation and how they see the culture now: those aspects which support the organisation and the potentially limiting values which hold it back; plus the values they believe promote high performance. It clearly identifies where values are aligned and where differences arise.



2. Values Distribution

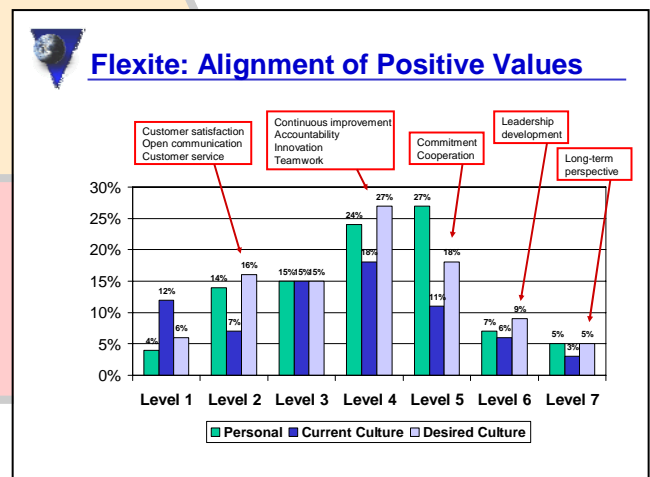


The Values Distribution diagram compares the distribution of all responses (positive and potentially limiting) for Personal, Current Culture and Desired Culture values at each of the Seven Levels.

It also shows the amount of **cultural entropy**. Cultural entropy measures the internal frictions, relationship issues, problems, and misalignments in your organisation that are working against the achievement of your mission, vision, and strategy. Cultural entropy has a direct impact on employee and customer satisfaction and, therefore, on performance.

3. Alignment of Positive Values

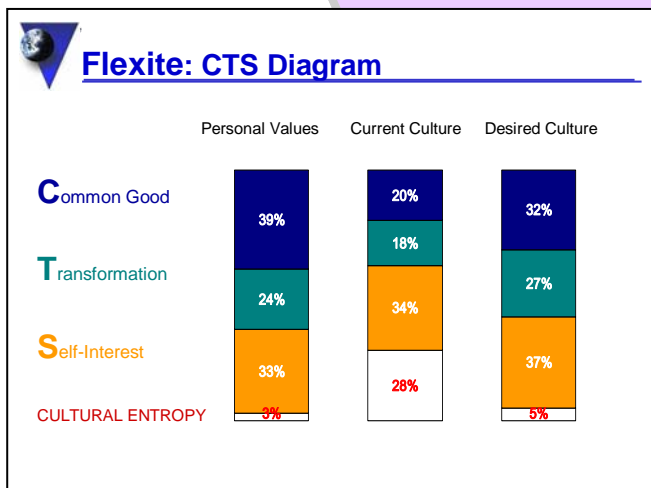
This diagram focuses purely on positive values. Any significant jumps in the percentage distribution between current and desired culture at each level represent a request from the employees within your organisation for greater focus in that area. The diagram shows the degree of alignment between personal values and the current and desired cultures.



What Information Does a Values Assessment Give Me?

4. CTS Diagram

The CTS Diagram allows you to see where employees are now, how they see the current organisational culture, and where they want the focus of your business to be. It also shows the amount of **cultural entropy** that is holding the business back.



Common good: the way in which the people and the organisation make a difference to communities, internal and external customers and society at large through service.

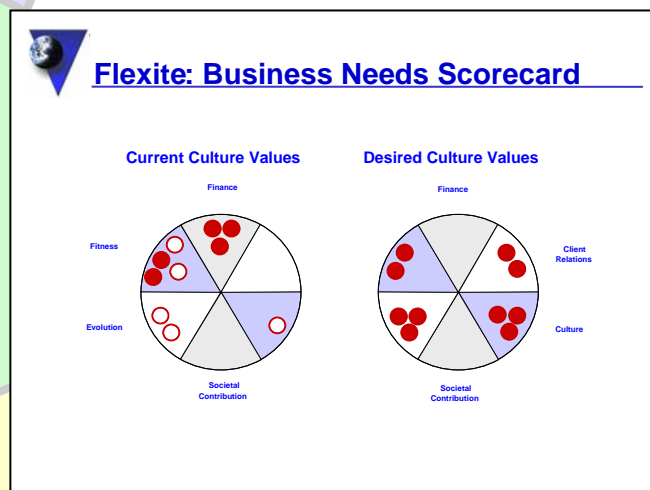
Transformation: ability of an organisation to adapt, renew and change itself.

Self-Interest: this recognises the need to take care of basic personal and business maintenance needs.

5. Business Needs Scorecard

The Business Needs Scorecard translates the values chosen into a business perspective. This Scorecard focuses on six key areas needed for high performance:

- finance (profitability),
- fitness (performance),
- client relations,
- evolution (new products and services),
- culture, and
- societal contribution.



6. Diagnostic Report

These visual diagrams are accompanied by a detailed diagnostic report on the culture of the organisation that assesses how well values are aligned, plus areas of strengths and for improvement: in other words, what is working and what is not working. It comprehensively analyses data from leaders and employees to provide a road map for cultural transformation.

Reports and data are available for the following:

- Individuals
- Leaders
- Businesses
- Teams
- Customers / Clients
- Mergers & acquisitions
- Schools
- Communities