ENTELECHY

On leadership and change

By Guy C. Gattegno

On organisational culture and individual values

In his 1985 best-selling book, **The Hunt for Red October**, Tom Clancy ascribes to Captain Ramius the following: ***"Soviet Communism ignored a basic human need... In denying a man's soul... Marxism stripped away the foundation of human dignity and individual value. It also cast aside the objective measure of justice and ethics..."***

That was a major premise of the book and why Captain Ramius was defecting to the West.

Recently it has become fashionable to place great emphasis on defining and describing, along with corporate visions and missions, the core values of individual companies. These values are generally seen as broad guiding principles, capable of shaping and infusing the work-related behaviours of all staff members as they strive to realise the visions of their employers.

Typically, after great effort, a list of core values is drawn up for a particular organisation, often to include some or all of the following:

- pursuit of excellence

- respect for the individual

- high standards of integrity and honesty

- innovation

- frank, open communication at all levels

- passionate commitment to exceed customers' expectations

- strong emphasis on teamwork

Once the list has been produced and disseminated throughout an organisation, further efforts are made to transform its culture in ways that promote the flowering of its core values.

These endeavours have admirable intent; however, several cautionary flags should be raised.

Inculcation or tyranny?

A definite (though fine) line must be drawn, to distinguish what an organisation CAN legitimately require of its employees in terms of work-related values and ideals, from what constitutes an unwarranted intrusion into individual beliefs and conceptions. It is justifiable to ask employees to subscribe to a particular set of corporate values (such as excellence in customer service), it is NOT appropriate to insist that they adhere to a predetermined philosophy of life or moral code.

Yet making that distinction is not always straightforward. A decade ago, for example, there was a flurry of media reports about New Age gurus who had been engaged by corporations (particularly in California) to conduct "self-development" programs, but who in fact sought to impose their quasi-religious doctrines and value systems on groups of employees.

Official or actual values and beliefs?

When dealing with organisational values, it is essential to distinguish between "official" beliefs (i.e. those which senior management wish existed throughout the enterprise) from "underground" creeds and attitudes (i.e. those which actually exist).

A gulf often separates the values that employees profess to espouse (and to which they are usually adept at paying lip service), from those that actually permeate the organisation (and which frequently derive from the "folklore" or "oral history" passed on from one generation of staff members to the next).

Why do people work?

Beyond the obvious answer (that people work to earn a living), this question points to fundamental issues about the quality of an individual's worklife. Research shows that the nature of an individual's work; the degree of job satisfaction he/she derives from work; and the impact of work on personal and family life rate highest as reasons which cause individuals to switch jobs. Only a minority rate salary as the most important reason for taking a particular job.

What these considerations emphasise is that anyone intent on defining an organisation's core values or on bringing about changes to its culture, should at the very least research comprehensively the nature of the compact that exists between employee and employer, between the individual and the enterprise.

Here are some of the key factors, from both personal and organisational perspectives, that this investigation might address.

The individual's sense of fairness

One of the strongest forces driving the work-related behaviours of individual employees is their innate, deep seated yet constantly vigilant sense of fairness. Everyone has an exquisitely poised, fully developed conception of what is and isn't equitable under given circumstances. In that respect, it is as much a "sense" as the sense of smell or hearing. This sense of fairness is what enables someone to assess instantly whether the way he/she has been treated in a particular situation is fair or not.

At work, not everyone aspires to be "the boss", to make all the

important decisions, to earn the most money. The sense of fairness also serves to delineate what an individual reasonably expects from his/her position. In most cases these expectations are, by any standard, realistic. But everyone aspires to be treated fairly, according to his/her sense of what "fair" means. An individual's attitude towards work, and certainly towards a particular role in a given company, hinges on fairness.

A key attribute of the sense of fairness is that people know immediately when it has been violated. Employees who, again and again, feel that they are being treated shabbily quickly lose the motivation to perform at their best. If their sense of fairness continues to be denied, they often become disillusioned, and eventually focus much of their energies on finding ways to "even the score". Examples of highly damaging revenge exacted by disgruntled employees are not hard to find: important paperwork misplaced, assembly lines sabotaged, needles mysteriously added to jars of baby food, and so on.

Thus, if any attempt to act on an enterprise's core values and to transform its corporate culture is to be successful, employees' sense of fairness must be fully respected in practice, every day, in the countless interactions between staff that define how the organisation does business. Merely developing and disseminating "motherhood statements" concerning the organisation (about people being its greatest resource or about how it respects the individual) while its practices manifestly belie these statements, accomplishes little and, more than likely, is counter-productive.

The individual's need for recognition

A related force which is fundamental in shaping how employees behave at work is their need for recognition. Most individuals feel strongly that their contributions to the continued success of the enterprise, however modest, should be properly esteemed.

This need not be translated into bigger offices, more important-sounding job titles or higher levels of remuneration -- though such recognition never hurts! What matters to most people, as

far as their life at work is concerned, is to feel that they are trusted to do what is right in given circumstances, and that their efforts to promote the continued success of their employer are **genuinely appreciated**.

Perhaps in this as in no other area of employee relations, insincerity in the form of large gaps between what organisations profess to value and what they actually reward, can prove highly detrimental. To be legitimate, recognition must be authentic, consistent, habitual and, in every instance, widely perceived as fully earned by the recipient. Only then will the corporate environment be viewed as prizing individual efforts and achievements, and as being impartial in its recognition of the worth of every contributing staff member.

The individual's sense of integrity

The above postulates the existence of a well developed individual **sense of integrity**. Staff members feel valued, fairly treated and equitably recognised, only if the entity that employs them respects their integrity.

The days may be long gone when employees were made to work under dehumanising conditions -- those days perhaps being epitomised by the sign photographed outside a sweatshop at around the turn of the 20th century, ***"If you don't come in Sunday, don't come in Monday!"*** However, today's assaults on individual integrity tend to be far more insidious, if not always intentional. Commonly, employees are made to suffer small indignities, each perhaps insignificant in itself. Cumulatively, however, their impact can be highly damaging to a person's self-esteem, with self-worth deteriorating to such a point that the person no longer feels able to trust his/her own perceptions.

What makes these occurrences even less acceptable is that, in many instances, they are caused as much by carelessness in the way one person treats others, as by wilful attempts to exert control or gain advantage over fellow employees. Irrespective of the reason, however, there is little doubt that transgressing an individual's sense of integrity can be very harmful.

The enterprise's duty of care

It should be abundantly clear by now that for employers, far more than simply providing people with jobs (and the means to perform them) is at stake. Put simply, conscientious employers are being asked to exercise a **duty of care**.

This is a common law concept, which has evolved over centuries as part of the fiduciary responsibilities of a trustee. Fiduciary responsibility is the highest level of duty that can be owed by one person to another. It represents the highest standard of care that may be required of that person.

In law, a fiduciary is a person to whom property is entrusted, to hold, control or manage for another. The notion being advanced here is that, in an essentially equivalent fashion, an employer is entrusted with employees' needs, beliefs, aspirations and sensibilities, to be held, controlled and managed for the benefit of both. The implication: HANDLE WITH CARE!

As Rollo May stated in his 1969 book, Love and Will, published in the U.S. by W.W. Norton & Company:

"Care is a state in which something does matter; care is the opposite of apathy. It is a state composed of the recognition of another, a fellow human being like one's self; of identification of one's self with the pain or joy of the other; of guilt, pity, and the awareness that we all stand on the base of a common humanity from which we all stem."

Amidst the flurry of restructuring, downsizing and re-engineering attempts that have consumed so many enterprises recently, sentiments such as these can all too easily be overlooked.

The enterprise's dual function

To complicate matters further, the "conscientious" enterprise

today is being asked to play two fundamentally distinct roles simultaneously. Especially in the private sector, and given the increasingly volatile global environment in which firms must operate, these two roles are fast becoming incompatible:

- The enterprise as fierce competitor, ever growing through ever increasing efficiencies and/or aggressive product development and marketing, and hence ever rewarding its shareholders with ever larger returns.

- The enterprise as welfare state for its employees, providing job security through ongoing employment, and supplying fulfillment at work in ever increasing doses and generous remuneration packages and benefits at ever spiralling rates.

The central question is: What is the corporation's reason for being in today's environment? Is it to be purely a commercial proposition, simply to make a profit for its owners? Or should it be perceived as an instrument of social policy, whose purpose is to "do good" in society especially if it does well at the cash register?

The answers to these questions, even if they could be formulated definitively, obviously lie well outside the scope of this newsletter!

Shock proofing culture change

Organisations can attempt to define the means of achieving valid corporate goals in ways that respect the legitimate requirements and values of individuals. In this manner, any culture change is more likely to be "shockproof" and, as a result, more likely to succeed. That is, it might be of considerable benefit to both employer and employee.

This in itself is a sizeable task. Presumably, it will differ in every detail when applied to one enterprise as compared to another. Some starting points:

- Enterprises must only act in ways that truly respect the diversity of moral and ethical principles held by their employees.

- The core organisational values by which enterprises ask their employees to gauge their work-related behaviours must reflect the personal values individuals actually hold, not those they profess to espouse.

- The powerful organisational folklore which pervades how employees perceive the entity that employs them must be deliberately included in any initiative aimed at creating culture change. Otherwise, it is likely to defeat even the most persistent efforts.

- How the sense of fairness manifests itself among the staff of a particular organisation must be compatible with its policies and, more importantly, its practices.

- Both the monetary and non-monetary mechanisms used by an enterprise to recognise and reward employees must be sincerely, consistently and equitably linked to the worth of individual accomplishments. Above all, they must come to be perceived in those terms throughout the organisation.

- How an enterprise asks its employees to work must respect their sense of integrity. That is, it must actively ensure that they are not subjected to what they are likely to perceive as demeaning or humiliating, for example because it is assumed they cannot be trusted, and must therefore be closely controlled and supervised.

In other words the enterprise, mindful that it has been entrusted with more than simply the physical presence of its employees for so many hours a day, must exercise the duty of care it owes to what is undeniably its greatest resource, its people!