

# How to turn values into standards

Written by Craig Donaldson on January 30, 2015

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**Turning your organisation’s values into a set of shared standards can have an immediate and lasting impact on your culture and performance, writes Dr Peter Fuda**

Every organisation has values. The challenge, however, is that these are usually different from those written on the poster. To cite an infamous example, Enron’s espoused values were communication, respect, excellence and, you guessed it, integrity.

The gap between espoused values and how people actually behave in organisations is a function of several factors. At the most basic level, we judge ourselves by our noble intentions, but we judge everyone else by their actions. I may consider myself high on integrity because it is part of how I see myself, but if I don’t deliver on my commitments to you, you can justifiably claim that I lack integrity.

At an executive leadership summit, I asked the 500 delegates to close their eyes and raise their hands if they considered themselves to be of high integrity. When the delegates opened their eyes, every hand in the room was in the air. I then asked them to close their eyes again and raise their hands if they agreed that their colleagues shared their same high level of integrity. When they opened their eyes this time, only a third of the hands were raised. The insight reached by the delegates from this simple exercise was that we judge ourselves by our noble intentions, but we judge everyone else by their actions.

We often assume values are a “where to”, when in fact they are best positioned as a “how to”. When you say, “this is our vision and these are our values”, you position them as an aspiration. You might as well say, “I hope we have integrity one day”.

Sometimes our values are actually in conflict with our aspirations. We may value *consistency*, but if our vision is to be *the most innovative company in our industry*, then we have misalignment. Living by stated values requires courage; it's usually easier to go with the flow than to be clear and unapologetic about what you stand for.

Perhaps most importantly, we all have different rules that determine how we experience a particular value. Usually, these rules are unconscious or at least unspoken. In order to experience the value of *respect*, I may have 10 things that need to happen in perfect synchronicity, while you may experience *respect* if team members speak politely to one another.

The simplest and most effective way to bring values to life in your organisation is to turn them into standards. Standards are the agreed rules for your values.

### **Turning values into standards**

There are a number of benefits to having an agreed set of standards in your team or organisation. First and foremost, shared standards help you to create a game you can win. Rather than encouraging others to subjectively interpret what is desired, you set clear and shared expectations for behaviour.

Shared standards enable you to raise accountability. You cannot say to your team, "we all need to raise our values", but you can say, "we must raise our standards". Standards are a call to action. You will have less need for policies, rules and bureaucracy, because shared standards provide guideposts for effective decision making. These guideposts encourage speed, simplicity and autonomy.

Leaders who subjugate their formal authority to shared standards acquire a much greater power to lead – a genuine commitment from everybody to live up to those standards. You can rule by position and hope for compliance, or you can leverage shared standards to unleash the genuine commitment and discretionary effort of your team.

Shared standards provide a language for concepts that may otherwise be fluffy or esoteric. In essence, they enable you to give the "soft stuff" sharp edges. Shared standards allow you to more easily identify those who are not a good fit for your organisation; although, more often than not, they will identify themselves first.

Over time, shared standards help you to increase trust in your organisation. People are encouraged to give each other the benefit of the doubt and move forward together, rather than get stuck in politics and silos.

An organisation that hires and fires based on shared standards creates an identity that attracts like-minded people and defines a distinct culture. This culture encourages the exact behaviours you need to reach your aspirations.

If you're motivated to turn your organisation's values into standards, the remainder of this article will step you through the process to make it happen.

### **Create a setting for success**

Before you begin the process to define, cascade and embed standards in your organisation, it is critical to create a setting for success with the key stakeholders for this work. Your audience may not have thought deeply about this issue, or may not yet feel strongly about it. You need to have a strong collective will before you begin the actual process of turning values into standards. Start from the assumption that you should not make any assumptions.

Most organisations will have more than just a list of values; they will often have descriptions or definitions for the values. These descriptions are usually not standards. It is critical to differentiate between this content, or else your standards will just look like another list. To be clear, a description answers the question, "What does this value mean?", whereas a standard answers the question, "How would you know if I was living this value/what would you see?".

Some organisations will have programs to support their values, and some will even have champions. These types of initiatives are very helpful in communicating what the values mean and encouraging people to move toward them. They are not, however, a substitute for senior leaders holding each other accountable to a set of shared standards.

### **Define, cascade & embed standards**

Once you have created a setting with key stakeholders, you can now begin the process of defining your standards. To define powerful shared standards, first and foremost, ensure they serve the aspirations and complement the strategy.

Avoid clichés and management jargon. Instead, be simple and explicit. This simplicity allows them to be a reference point for critical decisions. For example, one leadership team espoused a value of trust in their organisation but acknowledged that, in fact, they had very low trust in their leadership team. They defined three shared standards that had a dramatic and lasting impact on their leadership team and on their credibility in the organisation. Those three simple standards were: we give each other the benefit of the doubt – we never question intent; everything we need to say is said in the room – no corridor conversations; once we commit to an action, we follow through until it's done.

Be aware that your standards need to represent the minimum expected behaviour, not an aspiration. Define only a critical few, with the biggest potential impact. This will enable you to raise the bar for performance in your organisation.

Your senior leaders must **be living, breathing role models** for the agreed standards of behaviour before you consider cascading them to other teams in your organisation. Until the most senior leaders are role models, there is no legitimacy in asking others to commit.

The most effective way to cascade shared standards is via intact teams, rather than cross functionally. This encourages much higher levels of mutual accountability. Allow these teams some room to define their own standards, within agreed boundaries, as it will promote ownership and relevance. You should also maintain a level of central co-ordination to ensure that particular business units or teams aren't left behind.

At this point, your standards can become the highest form of authority in your organisation. Use any discussion of the aspirations to create a connection to the standards, and anchor to them at the start and close of meetings.

Have a close look at your people and performance systems to see if they promote or inhibit the standards. This is a critical step, because if the standards and systems are in conflict, the systems will win. Create forums for open and honest feedback among peers and measure the standards for individuals and teams.

Hire, promote and fire in alignment with the standards. To emphasise this point, the single most powerful way to embed standards in an organisation is to remove a senior leader who is getting results but not living the agreed standards.

If you want to maximise the performance of your organisation or team, having a set of values is not enough. You must turn those values into shared standards. This exercise will generally cost you nothing but can have an immediate and lasting impact on your culture and performance.

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