

LESSON 20: Business Performance

Becoming a “Values Driven” Company

Soon after Tom Hill was thrust into leading his family’s oil and gas equipment business, he discovered he had a mess on his hands. The business was losing money, his employees were disengaged, and nothing seemed to be going right. He knew something had to change.

The final straw was when Tom, while reviewing the company policy manual, discovered a policy against “standing on toilet seats.”

When he asked a supervisor about the policy he was told, “We used to have a policy against people sleeping while sitting on the toilet seat to escape work. And what was the result? They began *standing* on the toilet seat to escape work. So, we wrote a new policy.”

At that moment Tom realized that writing more policies wasn’t the answer. Instead, the people needed to be motivated by values, not by company policies.

Over time, Tom developed a program called “Making Character First” that helps organizations train and encourage employees to be values driven rather than rules or policy driven. It dramatically turned around Tom’s business and has helped hundreds of other organizations do likewise.

VALUES VS RULES

LRN Consulting performed an extensive study of more than 36,000 employees around the globe—to discover what differentiated the high performing companies from the average ones. Their research led them to categorize businesses into three different types:

1. **Blind Obedience**—these organizations were very rules based. They were top-down driven and extremely coercive in nature.
2. **Informed Acquiescence**—These organizations were still rules-based but shifted to hierarchy and structure with some decentralization.

3. **Self-governance**—Self-governed organizations focused on trust, values, and purpose. Rather than people making decisions based on policies and rules, they were extremely familiar with the core values of the organization and made decisions based on what was in alignment with the values.

Although only 3% of organizations surveyed fell into the self-governance category, these companies overwhelmingly outperformed all other businesses in almost every metric measured. For instance, look at the following amazing results of self-governed employee companies:

- Only 24% witnessed unethical behavior vs 47% in the average company
- Customers were more satisfied
- These companies were more innovative
- They realized more employee loyalty
- They were significantly more profitable

Jim Collins and Jerry Porras in their book, *Built to Last*, also tried to determine what types of companies performed the best. Although their approach was different, their findings were similar to those of LRN Consulting. They discovered that the best performing companies were companies that they labeled "Visionary Companies." They discovered that if you would have invested in these "Visionary Companies" from 1926 to 1990 your investment would have grown 15 times greater than a similar investment in the general stock market.

When they researched what made the difference between the "Visionary Companies" and average businesses they discovered two factors that they called, "Preserving the Core and Stimulating Progress." Preserving the Core was about upholding the organization's mission and core values. Companies that relentlessly stayed values driven performed far greater than other businesses.

Bobby Albert, author of *Principled Profits* says it well in his book, "When your people buy into changeless core values (who you are) along with the organization's purpose (why you exist), they will be able to navigate the choppy and changing waters of the marketplace with clarity and confidence."

Jim Collins defines core values as "the organization's essential and enduring tenets – a small set of general guiding principles; not to be confused with specific cultural or operating practices; not to be compromised for financial gain or short-term expediency."

The business world is notorious for embracing fads and management theories that are not time tested, resulting in skeptical and frustrated employees. Core values help you steer clear of those time wasters.

DISCUSSION QUESTIONS

1. In which category would you place your business? Blind Obedience, informed acquiescence, or self-governance?

2. Why do you think “Values Driven” companies typically perform better than Rules Based organizations?

3. Describe the worst job you’ve ever had. Was the company Rules Based or Values Driven? How did you feel working in that environment?

A BIBLICAL BLESSING

Another benefit of becoming a “Values Driven” company is the impact you can have on the lives of employees who may not typically be interested or willing to consider biblical truth.

Living, modeling, and teaching biblical values such as courage, integrity, love, and patience provides a positive benefit to employees. Psalm 19:8 teaches, *“The precepts of the Lord are right, giving joy to the heart. The commands of the Lord are radiant, giving light to the eyes.”*

Adopting biblical values can help point your team members towards God’s principles, precepts, and commands. Because biblical values embody eternal truths, practicing those values should ultimately bring joy and wholeness to the individual members of your team and to the company collectively.

DEVELOPING YOUR CORE VALUES

Many consultants will turn developing core values into a team building exercise. This can result in a list of values that may or may not be reflective of the values of the person God appointed to lead the organization.

Bobby Albert in “Principled Profits” has a different approach. He writes, “In the area of discovering the core values that will lead and define an organization, the leader’s responsibility is singularly essential. Over time, employees will come and go, but the leader and his or her legacy will remain.”

Jim Collins’ research revealed that the highly effective “Visionary Companies” discovered their values at the beginning. After which, they began recruiting, selecting and hiring employees who held the same core values. If you desire the company to be reflective of the core values God instilled in you, this process should begin with you digging deep personally.

Bobby Albert says to discover your core values requires:

- Authenticity
- Introspective reflection
- Articulating what is inside, "bone deep"
- Patience

THREE STEPS TO DISCOVERING YOUR VALUES

1. Soak the process in prayer—This is a very important step for the future of your organization. God made you and knows you. Ask Him to guide your discovery process so that you properly identify the values that are “bone deep.”
2. Reflect on your past and your present—Your core values have likely surfaced throughout your entire life, even as a child. Reflect on those pivotal moments in your life, looking for those things that shaped who you are or aroused your passions or anger.
 - a. What injustices, issues or situations in the past have caused you to take a stand?

b. What people have been influencers in your past? Why did they make an impression on you?

c. What causes have you recently been involved with and why?

d. Do you have any Bible verses that are life or theme verses for you personally? Write them down and why they are important to you.

3. **Drill down deeper** —Bobby Albert found that two questions helped him surface his final list of core values. Take a moment to jot down words or phrases that answer these two questions. Then, compare the two lists for any similar themes.

a. What are the things that I have a passion for, things that I get excited about, and things that give me energy?

b. What are the things that, when left undone, make me angry, frustrated, upset, and even “foaming at the mouth?”

PRACTICAL EXERCISE

- 1. Brainstorm and write below a list of potential values you are considering. Be creative, using words that mean something to you, Bible verses that have a theme that may relate to you, and phrases or meanings that you boil down to one or two words. If necessary, research companies online that you respect or follow to see if they have values listed and how they are stated.

- a. As a group, have each person share their list of potential values, accumulating a group list and eliminating any duplicates. Keep these potential words in mind as you narrow in on your own core values.

- 2. Consider everyone in your Roundtable group. Write their names below and one or two positive attributes, qualities, or values you believe they model. (If someone is new to the group, you still have an impression so share your best guess.) During your group session take one person at a time and let the entire group share their one or two thoughts. This will help affirm or enlighten each person's process.

- 3. Homework: During the next month use this lesson and your related notes to develop your personal list of core values. You should narrow it down to 3-5. It's hard for an organization to remember many more than that. When you return next month be prepared to share with your group your core values. They can help you refine them.

Core Value 1

Core Value 2

Core Value 3

Core Value 4

Core Value 5
