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Values and Trust in Managerial Leaders

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Article #06-04-01

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Building and maintaining trust requires both operational values and accountability-based management. Operational values establish desired and expected managerial practices which establish clear guides for decision-making and equally clear boundaries for behaviours. Though some values may contain an element of aspiration and be intended to inspire, the values employees can believe in are those they see in action, and for which leaders are held to account.

KEYWORDS: Trust, managerial leaders, accountability-based management, leaders' values, operational values, value audit

Trust is the oil and the glue of effective managerial leadership, and a leader's declared and demonstrated values provide the base on which trust is built.

Although not all leaders are managers, all managers must provide leadership. Managers who do not provide leadership are not meeting their accountability to support their employees. With that understanding, I ask participants in leadership learning events: "If we went out and observed people, how would you know which ones were leaders? What are the marks, the characteristics that would say to you 'This one is a leader'?" Accepting that there are some people who are more suited to leadership roles than others, and that there are learnable skills that

enhance whatever leadership potential one might possess, identifying leaders is fairly straightforward. The leaders are the people we are willing to follow. Leadership and 'followership' are not opposites. They are two essential functions in organisations, and we need to think of how to strengthen both. (Bryan 1987.)

Employees follow the lead of managers they trust

Each managerial leader is accountable to gain the trust of followers. Such leaders might not use those exact words—they may instead describe a need to:

- Influence and motivate employees.
- Ignite employees' enthusiasm.
- Gain commitment.
- Inspire employees.
- Get employees moving in the same direction.

Regardless of the words used, employees want their managers to create and maintain a culture that they can trust. To succeed, executives and managers must be able to depend upon their employees to focus their best efforts on accomplishing established goals. And if employees are to give their best and their all to the job at hand, they must be able to depend upon their managers for competent leadership and support. In short, they all need to trust one another.

For managerial leaders, trust is both a value and an operational requirement. When managerial leaders demonstrate that they can be relied upon to provide a corporate culture that supports employees, employees can suspend worrying about themselves and their own welfare and focus their energies on applying all their talents and abilities to accomplishing their assigned tasks (Bryan, 2004). In this context trust means being reasonably confident that those with whom you work, and especially those at the top, will do their jobs competently and without knowingly doing you harm. This is not the highest standard of trust possible, but it is sufficient if leaders and followers are to rely on one another.

The challenge for leaders is doing what they say

Articulating their values is one of the more effective ways for managerial leaders to gain the trust and committed effort of employees. In stating their values, managers offer a promise to employees. When a leader publicly declares values it lets employees know what they can expect

from her or him. One of the great challenges of managerial leaders, and a core problem with leadership values, is making certain that what one says and what one does are the same. Trusted values are those communicated in action:

A company's accident rate had resulted in high insurance premiums that were threatening profitability. In response, a new vice-president of safety role was created, and Ralph Raymond appointed. Ralph brought in consultants to help him develop a safety program. While discussing how to communicate to all employees that safety was now a top priority, Ralph invited his consultants down to the cafeteria for coffee. The corporate offices were located in a larger manufacturing facility, and there was one cafeteria for all employees.

On entering the line, Ralph slipped on a bit of spilt coffee. He blurted out, "That should have been cleaned up. Someone could fall and get hurt. Bring me some paper towels."

Kneeling, Ralph swabbed the floor clean, and tossed the soggy towels into a waste can. As we each got a cup of coffee and moved to a table, Ralph apologised for creating a scene and explained how important it was to attend to hazardous situations immediately. Sitting down he asked, "Now, how do we get the message out to our people? Do we need a poster campaign or what?" One of his consultants leaned over to him and whispered, "You don't need a campaign. You just got the word out. Look around."

Everyone in the room was focused on Ralph. A hundred employees (managers, supervisors and front line workers) had just seen a VP, business suit and all, on his knees removing a safety hazard. As Ralph's consultant said, "By today's third shift every employee here will know."

Employees' work and life experiences invite scepticism toward leaders' values

Values communicated in action build trust, but when a promised value is not accompanied by congruent and confirming behaviours, trust is undermined if not destroyed. When there is a 'value gap,' the gain leaders hope for in stating their values is lost. Employees trust what they see, and all too often what they see is a gap between what managers say they value and how they behave. Consider these recent experiences:

Case Study 1:

At the top of the list of a company's values was "We support all our employees in maintaining a healthy work-life balance." The very week this statement was being distributed to staff, a memo went out to all managers announcing that due to a crisis situation all vacations and leave were to be postponed until further notice. The 'in' joke among managers was, "Our #1 value has been temporarily suspended."

Case Study 2:

On emerging from bankruptcy protection and with several former executives indicted for fraud, a company's new executive team hired an ethics consultant, developed a code of conduct, created a new ethics office with an employee hot line, initiated a poster campaign and mandated training in 'our new way of doing business' for all employees. As part of the renewal effort, each employee received a pocket card with the new code of conduct and practices, which promised, "We will be open, honest and transparent with our employees." Within a month, a directive was sent to HR heads in all divisions outlining the performance standards to be used in determining increases in compensation. The standards were accompanied by a notice that only the top 5% of performers would receive any increase and a warning that employees were not to be told. Despite repeated efforts by several HR

heads to gain permission to release the standards and top 5% limit, the prohibition stood. Employees were to be kept 'out of the loop'.

It is rare to encounter an employee who cannot tell a story about a value stated but not delivered. Value statements make promises, such as:

- Development of potential.
- Fair and equal treatment.
- Open communication.
- Creativity and participation.

Often, however, budgets and staffing levels provide neither sufficient time nor resources to support the promises; outstanding, average and poor performers receive equal recognition; recommendations are not responded to; and so on. Every value gap reinforces scepticism toward leaders. Employees come to doubt that the promise of stated values will be delivered. It is no surprise that many employees have become cynics who think the phrase 'leadership values' is an oxymoron.

There are two keys to closing the value gap

If all managers must provide leadership, and a minimal requirement for effective leadership is that leaders do what they say, then why is there often a gap between announced values and the behaviours that follow? One of the major causes is that many management teams behave as if writing a statement of values on a poster is sufficient in itself. However, with values 'the road to hell is paved with good intentions.'

There are two factors that, when addressed, move values from an intention to a promise kept:

1. Clarity about the intended function of value statements, and what values are needed.

2. Accountability for practising values once they are stated.

The value gap can be closed, therefore, by getting clear about the values required for trusted leadership, and putting into place a system to support accountable managerial practices.

There are many different types of values, and one size does not fit all

Building trust requires operational values, and a value gap occurs when there is a lack of clarity about what an operational value is or is intended to accomplish. This lack of clarity grows out of there being different types of values. A value may be:

- A universal ideal or an ethical principle.
- An aspiration or goal.
- An operational standard or guarantee.

Values are a key part of organisation culture, and all types of value may play an important part in organisation effectiveness, but one type cannot be substituted for another. Leaders need clarity about what they intend a statement of values to accomplish, and, therefore, what type of value they require.

Universal ideals or ethical principles

Ideal values help manage dilemmas and guide strategic thinking (Hampden-Turner 1990). They describe ideal circumstances that will never be achieved but which nonetheless must be strived for. As an Assistant Deputy Minister for transportation told me, "I can make our highways 100% safe. Just don't let anybody drive on them." Ideal values help differentiate solvable

problems from dilemmas that can never be resolved, only managed. Ideal values are universal. They come as 'all or nothing'. Try holding the values of being somewhat honest or partially committed to human dignity. Ethical principles counter simplistic 'this or that' thinking and clarify that competing values cannot be eliminated, for each provides a context for understanding the other (e.g., safe and efficient transportation). To seek all of one may well leave you with none of the other. As a colleague of mine is fond of saying, "It is hard to have an ethical dilemma if you have no ethic." Having ethical principles, holding universal values guarantees you will have value dilemmas. Dilemmas can be managed, but they cannot be solved.

Aspirational values

Aspirational values serve a purpose in long-range planning and business management (Keeney 1992). They clearly describe an end state that does not exist but can be achieved. One of the marks of notable entrepreneurial managers is their ability to envision, articulate and achieve aspirational goals that appear to others to be unachievable ideals. Aspirational values are particularly useful both when times are very bad and when times are quite good. When an organisation is in a low cycle, demoralised or directionless, aspirational values give direction and inspire hope (e.g., 'We shall overcome some day'). When things are going well, aspirational values establish new possibilities and challenge people to excellence (e.g., 'We will build a non-polluting power source to run full-size cars on today's highways'). Value-focused thinking involves starting at the best and working to make it a reality (Keeney 1992:6). Aspirational values are an antidote to complacency and an inspiration toward higher ends.

Operational values

Though there are several criteria for an operational value (See Fig. 1), the key one is 'acted on habitually.' Operational values establish reasonable expectations between leaders and followers. They set boundaries of behaviour and offer a guarantee of what will and will not be done. They are intended to be seen in action, and translate directly into operational policy. Operational values, as with all operational policies, are intended to increase productivity, effectiveness, and efficiency in day-to-day operations, and to give clear guidance on how to resolve recurring problems.

All three types of values are useful in enhancing

Operational values are guidelines for how one intends to do business. They are the

- Qualities or characteristics that determine worth, desirability, and utility.
- Principles that are important to the life, well-being, and effectiveness of an organisation.
- Differences or contrasts that concern employees, i.e., differences that affect their life and work.

Operational values are

1. freely chosen, not imposed from outside.
2. chosen from among available alternatives.
3. chosen after due reflection, based on thoughtful consideration, not impulse or reflex.
4. prized and cherished, not 'the best of a bad lot'.
5. publicly declared and publicised.
6. demonstrated in actions.
7. acted on habitually, behavioural norms.

(Raths, Harmin, & Simon 1966)

Figure 1: Seven criteria for an operational value

organisational performance and supporting managerial leadership. However, each type serves a particular purpose and supports different types of work (See Fig. 2). Problems arise when aspirational or ideal values are used in an effort to promote and guarantee consistent, day-to-day managerial leadership practices. To achieve that end, operational values are required.

For leaders' values to be trusted they need to address the primary concerns of employees

Values that merit employees' trust respond to employees' needs and address key factors affecting their engagement and retention. Operational values also set reasonable expectations for managerial leaders. In global and multicultural enterprises, it is not always easy to identify the values that will lead to trust between managerial leaders and those they wish to have follow them. Gaining agreement across cultures on what standards should be in the areas of Human Resources and Organisation Development is very difficult (Gellerman, Frankel & Ladenson 1990). To build trust, leaders' values need to meet three criteria:

- Be responsive to the concerns of employees.
- Be congruent with business demands (including corporate standards and practices).
- Provide managers with clear and reasonable expectations for their leadership.

A good place for managerial leaders to start when establishing values is to ask employees what is missing. Desired values surface and demand attention when they are absent. Surveys indicate a remarkable similarity among employees' reasons for staying with a particular organisation and for relocating to another. The almost half of American and Canadian employees who are dissatisfied with their current

Type of Work	Type of Values	Focus of Work
CORPORATE STRATEGIC	Universal Ideal Ethical Principle	<ul style="list-style-type: none"> ● Broad corporate strategy. ● Type of future toward which to strive. ● Envisioning the future. ● Create new systems. ● What to invest in/divest of. ● Organisation culture & mission. ● Return on investment.
GENERAL MANAGEMENT	Aspirational Goal	<ul style="list-style-type: none"> ● Setting long term goals. ● Talent pool development. ● Change management. ● Resource utilisation. ● Work climate/atmosphere. ● Meeting long-term goals. ● Integrating operating units. ● Profit and loss.
OPERATIONS	Operational Standards	<ul style="list-style-type: none"> ● Annual planning. ● Producing to meet goals. ● Developing standards. ● Contingency planning. ● Quality control. ● Service delivery. ● Cost containment/reduction.

Figure 2: Utility of Three Types of Values Correlated with Different Types & Focus of Work

(Jaques 1998 and Jaques & Clement 1991)

work/workplace and intend to seek relocation within a year, and their colleagues who plan to stay, say it is due to the absence (or presence) of the following:

- Good salary and benefits package.
- Respect/feeling valued as an employee.
- Supportive, effective management.
- Opportunities for advancement.
- Training/resources for training.
- Employment security.
- Life/work balance.
- Morale in the workplace.

- Respect for senior management. (Yahoo Canada Hotjobs 2004; and IBM Global Services 2002).

Our consulting experience affirms these motives for employee retention. The operational values we have identified that are responsive to these needs, that meet the three criteria above, and that support trust in managerial leaders are:

- Ensuring all role holders are competent to accomplish assigned tasks.
- Providing training/preparation of all employees prior to expecting performance.

- Ensuring role–person fit.
- Ensuring clarity on what authority resides in each role.
- Providing timely resolution of cross-boundary differences.
- Creating a shared vision.
- Ensuring resources are adequate for tasks assigned.

Once managerial leaders establish a set of values responsive to the needs of their employees, the goal of trust in their leadership has moved closer. To achieve the goal managers must demonstrate that their stated values are more than good intentions. That requires a system of accountability.

Managerial accountability ensures that leaders' values merit trust

Organisations measure what they believe is important to their success. If you believe that declaring leaders' values and living up to those values is key to your success, then measure how well you are doing it. Without accountability-based management it is a near certainty that you will arrive at the infernal destination of good intentions. Having no evaluation of how well values are being upheld communicates that it does not matter whether they are upheld or not. Measuring how well leaders' behaviours conform to stated values confirms they are meant to be taken seriously.

Ordinarily value statements are treated as if they stand alone, outside the normal system for management. Seldom is there a means of accountability in place through which managers can show their commitment to upholding stated values. Ask yourself the following question:

- What process do you use to ensure (and demonstrate) that managerial practices conform to your company's stated values?

Value audits provide a process to support managerial accountability

Value audits provide a process to support managerial leaders in making their stated values and managerial practices congruent. They:

- Demonstrate to followers that leaders intend their values to be seen in action.
- Provide a means to measure how well managerial practices conform to stated values.
- Enable managerial leaders to address any gaps with targeted change efforts.

Once managerial leaders have stated their values, an audit requires two additional steps:

- 1 Gather information on how well managerial practices conform to stated values.
- 2 Assign accountability for receiving and acting upon the information.

Value audits need to inform managerial leaders of how well employees think they are doing in upholding their value promises:

- What successes to celebrate.
- What value gaps exist.

When there is a value gap, an audit needs to provide enough information to plan corrective action.

To conduct an audit give employees the value statement (See Fig. 3 for example). Include all employees for whom the values are intended. Ask them to assess each value using this scale:

- 1 Management does this, well enough for me.
- 2 They do it well enough, but not consistently.
- 3 When they do it, they don't do it well enough.
- 4 They don't do it—or at least, I don't see them doing it.

Establishing trust is essential for achieving our desired levels of effectiveness and efficiency, both within work units and in interactions across work units throughout our organisation. Trust means having an acceptable degree of certainty that expectations will be both reasonable and met in a timely fashion. The Senior Management Team has established the following set of values.

- OPENNESS
 - We will be open to new ideas.
 - We will be open to ideas divergent from our own.
- PARTICIPATION
 - We will encourage active participation by colleagues and staff in planning and decision making, in part through delegation.
- CREATIVITY
 - We will approach both new and familiar situations with creativity.
 - We will challenge ourselves to find and try new/different solutions.
- FLEXIBILITY
 - We will attempt to adapt our thinking and actions to the needs of the situation, individual or group.
- COMMUNICATION
 - We will openly share information with managers, supervisors, colleagues and staff.
- RECOGNITION
 - We will strive to offer and provide recognition for the work of others, both on a formal and informal basis
- ACCOUNTABILITY
 - We will hold ourselves and others responsible for the quality and quantity of work accomplished.
 - We will take responsibility for the judgments and decisions we make.

Figure 3: XYZ Medical & Health Services Management Values

When a rating is other than '1.' ask for examples. Gather descriptions of critical incidents.

Reports of results need to include the range of and an average rating for each value. Whenever an average rating is 2 or above, include a narrative summary of critical incidents reported.

An average below 2 indicates management practices conform to the value. An average above 2 indicates there is a value gap, and above 3 indicates either some urgency for corrective action or that the value itself needs to be reconsidered. It is sometimes helpful to differentiate the ratings of different groups from one another (e.g., managers, professional staff, front line employees, etc.).

A value audit is not complete until its results have been reported and managers accountable for upholding the values have decided what

actions will be taken to close any gaps. When accountability-based management is in place, managers' pay increases, bonuses and promotions are influenced by how well their managerial leadership practices embody the stated values; trust grows; commitment follows; leaders and followers support one another. When not, there is hell to pay.

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Sponsorship for the period 2005-2007 is provided in part by the generous support of the following organizations:

