

Values Based Organization Development

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Many for-profits are finding that in order to respond quickly to constantly shifting markets, they need structures and systems that are clearly defined yet flexible, fully implemented yet capable of rapid change. Many for-profits have also instituted decentralized structures that rely less on control by a central office and more on a shared sense of belonging to the same company. This type of organization structure requires a shared understanding of their core purpose and core values and how to continually use that ideological base to reshape their strategic directions and structures.

As James Collings says in his article, "Building Your Company's Vision" (*Harvard Business Review*, September/October 1996), "Companies that enjoy enduring success have core values and a core purpose that remain fixed while their business strategies and practices endlessly adapt to a changing world. The dynamic of preserving the core while stimulating progress is the reason that companies such as Hewlett-Packard, 3M, Johnson & Johnson, Procter & Gamble, Merck, Sony, Motorola, and Nordstrom became elite institutions able to renew themselves and achieve superior long-term performance." As nonprofits respond to their shifting client and funding markets, they too need to depend upon a core purpose and core values to ensure their success.

Core Purpose

A Core Purpose is the primary and sustaining reason why an organization exists. It is an agency's particular and unique niche or place. A Core Purpose is not an agency's core businesses or services but the underlying reason for those services. If an agency stopped doing this, it would no longer be what it is. Some examples of non-profit Core Purposes are:

To decrease the incidence of domestic violence

To improve the lives of those infected and affected by HIV/AIDS

To assist the disenfranchised in gaining access to services

To change lives through jobs

To help those with mental disabilities realize their full potential

Core Values

Core Values are principles, tenets, and standards that provide a basis for action and a foundation

for decision making. Core Values become mental habits that influence how people act toward each other, clients, the public, and external stakeholders. Core Values rarely change; activities and services often change to be more in line with Core Values. Some examples of non-profit Core Values are:

We accept and respect people for who they are and attempt to facilitate their meeting their needs without judgment or coercion. We hold each other, staff and clients, accountable for agreements we have made.

We endeavor to reduce the harm caused to themselves and others by individuals' behavior; and to reduce the harm to individuals caused by social institutions and policies. Our concern is with quality of life rather than with one particular approach.

We see the needs of the clients/consumers as the driving force behind the decisions we make. We strive toward mutual identification of problems and issues and mutual determination of goals in our work plans. We endeavor to assure that clients/consumers routinely have a voice in the creation of programs and policies which affect them.

We strive to achieve the highest quality of service consistent with available resources and client/consumer needs.

We strive to use our resources in the most effective and efficient manner.

We use our creativity, knowledge, and talent to develop innovative programs and initiatives throughout the agency.

We strive to include the diversity of people represented in our community on our staff. We establish processes whereby diverse opinions, approaches, and working styles can be heard and understood.

We are dedicated to developing excellence among the staff.

If organizations fail to develop and implement Core Values, they can foster unhealthy work environments or fail to build infrastructures that are important for carrying out their missions effectively. For example, staff in a human service organization described the working environment as "toxic." People did not get the information they needed to do their work; whatever they did not know they were blamed for not asking. There was more criticism than praise, and few took the time to work through conflicts. Staff talked about racial tension with white members of the senior management team. Different departments, especially services and education, fiscal and outreach were at odds with each other. By spending time clarifying their Core Purpose and agreeing upon a set of Core Values, the staff realized that some of the difficulty they had been experiencing with their clients was due to the old adage "you can only treat the clients as well as you treat each other." Much of what they assumed were ingrained personality differences among the staff and much of what they called cultural tensions began to be resolved. They were able to name what they expected of each other and how they expected to act toward their clients.

Where there are tensions between Core Values, there is usually a need for infrastructure change that includes ways to strengthen modes of communication, ways to support people in making choices when they encounter tensions, and guidelines for setting boundaries. Organizations may put consumer needs first, but they need to set boundaries as to the level and extend of resources the agencies will expend for each consumer. Another human service agency was growing rapidly and was unclear about what administrative structures it needed to have. While the Core Purpose was widely known and incorporated into the staff's work, nothing had been done to clarify the Core Values. In the process of doing so, the staff saw that their ongoing general complaint about the lack of communication had many facets to it. For example, because they were an agency dedicated to seeing the clients' needs as the driving force, yet at the same time they were concerned with clients overcoming their addiction problems, the staff was always facing difficult choices for which there were not black and white answers. In order to work with both values, the agency needed to establish regular learning/problem solving groups so that the staff could talk about their difficult decisions. These learning groups became a way to share more directly what was going on in the agency and to solve administrative problems at the various sites. The staff also identified that there were not clear guidelines as to what is and is not done for clients. Enormous amounts of time and resources were being spent on certain clients and not others, although there was little difference between the clients' needs. The steering group which was working on the Core Values proposed limits to the number of client visits (with clearly defined exceptions for emergency situations). They further recommended procedures for dealing with clients who continually failed to fulfill the mutually agreed to work plans.

How Agencies Can Develop a Core Purpose and Core Values

The best way to develop a Core Purpose and Core Values is to involve as many of the decision makers and those affected in the organization. Some organizations have committed themselves to two to three day board and staff retreats. Because of reluctance on the part of their boards to attend more than a one day retreat and the size of the staff, other agencies have given the task to small board and staff groups who then find ways to involve other board members and staff at various decision making steps. Before beginning, the agency needs to decide who will be the steering group for the process. A steering group could be 8 - 12 people who represent the various staff levels, a group of representative board members and the management team, or the management team. The purpose of this group is to coordinate the process. In order to decide who needs to be involved initially in the steering group and how to involve others at a later date in the process, whoever is initiating the process could use the following questions:

- What voices do we need to hear?
- Who decides whether we proceed with the core purpose and values?
- Who will be most affected by the core purpose and values?
- What else are we trying to achieve by forming our group?

The steering group may design a board and staff retreat for developing the core purpose and values or develop their own draft which they present at a board and staff retreat. When the steering group meets or the retreat occurs to develop the core purpose and values, the participants

could use a combination of individual reflection and large group brainstorming with the following questions:

- Why does the agency exist?
- Why is that important?
- Who are the agency's clients?
- If this agency were not here what would be missing for our clients?
- What makes this agency different from its competitors?
- What is this agency's Core Purpose? [one sentence or phrase]

After they have reached agreement about their answers to these questions, the steering group members can look at the current mission statement. People often find they have confirmed and strengthened the mission. Some find that they have developed a much more focused sense of who they are.

When developing Core Values, Collins suggests that it is helpful to begin with the values individuals bring to the agency before looking at the agency's values (the first two questions below are based on his process). Participants often ask if they are to answer the following questions with what they perceive to be the current reality in the agency or with what is their ideal. A middle ground is more helpful: what is true of the organization when it is operating at its best, and what other values could we realistically include.

What are the values that motivate me as an individual to work for this agency?

If we could start a new agency, what core values would we like that agency to espouse and act on regardless of its purpose?

What are the core values we believe this agency should espouse and act on?

Initially brainstorm a list of values

Then shorten the list to no more than five to seven by asking:

Which of these values are clearly connected and belong together?

Which of these values are in tension with each other? How? If there is a clear tension, even verging on contradiction, the two are most likely separate Core Values.

What is underneath this set of values?

If we were to say what is necessary to carry out these values, what would it be?

What are our "bottom lines"? what are the key values we would be most reluctant to compromise?

What are our most important Core Values?

After identifying a preliminary Core Purpose and set of Core Values, the group needs to explore what those values mean for the operation of the agency. If the steering group members are presenting their work for reaction at a special board/staff retreat, they could invite the participants to do the following:

Form small groups around each of the values (participants self-select which value they want to discuss)

In the small groups the members brainstorm the following:

If we accept this value, what does this mean about how we behave toward Clients? Each other?

Design a way to report back the results of your discussion to the larger group

For Example: flip chart notes, role play, questions for the larger group to consider

After each group has reported, the facilitator could invite the large group to identify the connections and commonalties between the values. They can discuss what they can do to strengthen those connections. Then the group can identify the tensions and seeming contradictions: What can they do to deal effectively with the tensions? The steering group gathers all of the notes from the retreat and develops a definitive Core Purpose and list of Core Values. Once the Core Purpose and Core Values are accepted by the Board, they can then become the basis for developing structures that enable the agency to more successfully achieve the Core Purpose and act on the Core Values. This is also the first step in doing strategic planning.

It is not uncommon to encounter resistance to defining Core Values. Frequent comments are that values are a "soft," human relations concern and not connected with achieving the outcomes of the agency. Or values are too abstract and not action oriented enough. Defining the core values that affect staff working relationships can also be a challenge to senior management. Senior managers may believe that they are operating in a very supportive and participatory way only to find that people experience them as acting otherwise. Clarifying the values and what behaviors people expect of each other may also bring to the surface underlying differences between the board and staff. People may discover that some of the ongoing conflicts about programs and the direction of the agency have been due to contradictory values or diverse interpretations of what the Core Values mean.

The benefits for exploring Core Values and risking to work through the conflicts, though, are greater levels of trust among the staff and between the staff and board, more creativity, more cohesion among the staff, and more flexible management. No longer is the focus on controlling people, but on reaching agreements and sharing visions about how to achieve the agency's outcomes.