

# VALUES VERSUS OBSERVABLE BEHAVIORS

How to drive an intentional culture

## HISTORY: CULTURE & VALUES

The 1980's marked the rapid rise of corporations adopting Mission Statements, Vision Statements and defining their Corporate Values. The original purpose was to change the perception of corporations as large, inhuman institutions and make them more relatable to the masses by giving them human like attributes. This allowed advertising agencies to differentiate a corporation's brand in such a way that people could relate to them at an emotional level.

Over the last 30 years, this practice of having Corporate Values has rapidly increased and become an organizational "must have" as the vast majority of successful organizations have embraced this practice and adorn their boardrooms, employee ID cards, websites and workspaces with the words, sentences and sometimes even paragraphs that define the ideals the organization is striving for.

Today, organizations may have varying reasons for defining corporate values ranging from following the management practices of their competitors to searching for an effective way to communicate what is expected of employees. Whatever the reason, the ultimate goal of having defined Corporate Values should be to align everyone in the organization to those values in order to get improved results for the organization.

## OBSERVABLE BEHAVIORS VERSUS VALUES

Observable behaviors (also known as overt behaviors) are actions performed that can be seen and measured. These are different than "values" in that measurement is an objective view rather than a subjective opinion. This is an important distinction that has a significant impact in the efficacy of leaders who are striving to develop employees to actually live the culture in a meaningful way consistently across the enterprise.

When used effectively, Observable Behaviors clearly let everyone in the organization know exactly how they are expected to act. The difference between a value and an observable behavior can be illustrated in the examples on the following page using two of the most widely used values in Fortune 500 companies.

## Examples

If you ask 10 employees what ***“Integrity”*** means, you will likely get 10 widely varying answers ranging from being on time to completing a project they committed to. However, if you ask 10 employees what “Do what you say you will do” means, then you will get a consistent response from most employees. This is because the latter can be observed objectively. If someone says they are going to do something (show up to a meeting on time, take on a new project, etc.) and they don’t follow through, that is an easy behavior to observe. They either did it or did not do it.

Imagine if you were in a 1-to-1 meeting with your manager and they said that you did not demonstrate integrity. You would likely start feeling defensive, insulted and probably start asking for examples or more details. The opportunity to coach and develop would be strained by the subjective nature of the “Value” you were expected to uphold.

***“Innovation”*** is another popular value many organizations have integrated into their set of values. It is generally understood to mean introducing a great new idea or improving upon an existing idea. A better way to state innovation as an observable behavior is “Present and pursue permanent solutions”. It is easy for a manager to observe that someone is constantly presenting and pursuing solutions, even if they are just minor incremental improvements of existing processes.

Now imagine your manager observed that you did not “present any new solutions.” This feedback is both easier to understand and lends itself to discussing concrete examples where you either did or you didn’t live the behaviors. The discussion would be more productive as the manager would speak from facts and the employee could learn from and explain specific behaviors that were observed.


Using Observable Behaviors is the only way a manager can objectively confirm that the desired intentional culture has appropriately been understood and applied by an employee. These examples clearly demonstrate why it is imperative to avoid “fluffy” values listed as nouns or adjectives and instead hold people accountable to what they are actually doing to bring value to the organization.

## HOW TO TAKE ADVANTAGE OF “OBSERVABLE BEHAVIORS” AND CREATE AN INTENTIONAL CULTURE

Every organization has a culture whether it is the one it wants or not. Culture is how people interact with each other, the way things get done, the traditions, attitudes, behaviors and beliefs that are upheld; All of which contribute to the ultimate expression of culture, which is observable behaviors.

An intentional culture is one that leadership drives and supports throughout the entire organization in order to accomplish its objectives and win. The vast majority of organizations do not have an effective, scalable and sustainable system to drive an Intentional Culture and rely heavily on traditional methods such as videos, town halls, retreats or workshops to communicate what is expected. These approaches tend to have very short lived organizational impact if they are not integrated or institutionalized consistently throughout the organization.

We will explore a 4-step process that utilizes observable behaviors in a highly scalable way to drive an intentional culture in organizations of all sizes.



**Every employee should understand how they can live the culture in their role, and the value it brings the organization.**



## A Word of Caution

A warning to readers who are looking for a quick hack to create a set of Corporate Values, yet are not willing to do what it takes to actually have their organizations live those behaviors:

**You may be setting up your organization for failure. The illusion of a nice sounding intentional culture could make leadership complacent and prevent the actual desired culture from taking hold.**

Just take a look at the corporate “Scandal De Jour” and there is a high likelihood that the same organization had a warm and fuzzy sounding set of Corporate Values that were nothing more than expensive wall paper and were not effectively driven down throughout the organization. If you are looking for something that will make your organization look good and feel good, then hiring a PR or marketing firm to create a set of values will serve your purpose. However if you choose the aforementioned superficial path, you will have neglected a real opportunity to improve results and competitive advantage beyond even the most effective externally facing “campaign”.

## FOUR STEPS TO DEVELOPING, DRIVING AND SCALING AN EFFECTIVE INTENTIONAL CULTURE

If you believe that everything an organization does should be done to make it more successful and everything else is a waste of time and resources, then read on. We will be providing some practical and proven methodologies and insights that you can apply to your organization today using intentional culture to consistently drive operational excellence and achieve measurable results.

ETW has developed the following 4-Step Process that utilizes observable behaviors in a highly scalable way to drive an intentional culture in organizations of all sizes. Each step builds upon the prior step in order to achieve the greatest impact.

### Step 1: Define

It is critical that everyone in the organization understands what the Intentional Culture is and what it looks like in action. Intentional Culture can be created through the use of Alignment tools, such as Mission, Vision, Observable Behaviors and Leadership Traits.

#### DEFINING INTENTIONAL CULTURE

*A culture that is defined, communicated and integrated into the business management process to drive better results for the organization*

Whichever set of alignment tools you use, be sure that they are clearly defined and observable in order to minimize subjectivity. It is recommended that one standard set of alignment tools be utilized throughout the entire organization so that everyone in the organization is aware of what the expectations are with respect to "how" the organization collectively agrees to get things done. This practice will also help in standardizing and scaling the intentional culture throughout the entire organization.



## Step 2: Apply and Share Impact

As outlined in the first part of this whitepaper, just memorizing the values of an organization without applying it does nothing for the organization. The only way to confirm that the Intentional Culture was properly understood and applied is through the observation of someone actually living it. It is critical that the managers and employees can cite specific examples in which they demonstrate how they have lived the culture and applied it appropriately.

This can be accomplished in several ways. Employees can proactively provide written examples of how they have lived the behaviors to their manager. Alternatively, managers or peers can “catch” employees living the culture and share those observations with the employee.

**Both methods of sharing examples provide an effective framework to ensure individuals have both understood and applied the values in a manner consistent with the Intentional Culture.**

One can further improve the understanding and connection employees make between culture and organizational performance by asking them to share what the organizational impact is for each example they provide. Generally, impact can be classified in terms of true cost savings, time savings (uncovered capacity), or any improvement to internal or external customer experience. Employees that are able to articulate both what they did to live the culture and the value it brought to the organization have fully embraced and lived the culture to bring value to the organization.



### Step 3: Communicate & Coach Frequently

Employees and managers should have a regular cadence, no less than monthly, where they discuss Intentional Culture in conjunction with performance of goals. These discussions include reviewing examples where they lived the behavior as well as any opportunities to improve.

In the cases where employees are not aligned with the desired Intentional Culture, managers should objectively explain what they observed, which observable behaviors were not being supported, and the negative impact to the organization. It is a good practice to summarize any negative behaviors and clearly describe the negative organizational impact in writing in addition to talking about it to further enforce the coaching lesson as conversations are easy to forget.

Communications can be both formal (consider a quarterly or annual review) or informal (this could be a quick weekly update) but are extremely important in creating a cadence for regular check-ins.

Upholding this regular cadence will demonstrate to employees that performance alone is not the objective, but rather, culture is just as important as performance. Having regular cultural and behavioral discussions also has the added benefit of providing context and recurring opportunities for supportive and developmental conversations that some struggling managers tend to avoid or ignore. Standardizing this cadence of discussions related to a well-defined intentional culture makes it much easier to scale as the organization grows.

#### LEVERAGING 1-TO-1 MEETINGS

Regular 1-to-1 meetings enable both positive and negative feedback to be received without defensiveness as it becomes part of a regular communication routine. This provides an opportunity to coach and communicate feedback on a regular basis.





## Step 4: Objectively Evaluate

The final step is to objectively evaluate every employee on how they are living the intentional culture.

It is crucial to ensure that the scoring of culture is as objective as possible and not perceived as being a “fluffy” subjective process in order to get everyone in the organization to take its measurement and management seriously.

Evaluations on culture that provide employees a *numeric score* further support the important message that culture is just as important (if not more important) than performance.

One example of an objective framework is to give employees points based on the following three areas; how frequently they live the behavior (always, sometimes, never), what the business impact has been (exceed goals, meet goals, below goals), and the employee’s ability to communicate the importance of the cultural elements and have clear examples of how they have applied the behavior in their role to bring value to the organization.

It is beneficial to allow employees to self score in these areas so that managers can follow up with coaching and developmental feedback if there are discrepancies between how the employee thinks they live the culture and how the manager has observed them actually living the culture.

## KEY TAKEAWAYS

Again, if you believe that everything an organization does should be done to make it more successful and everything else is a waste of time and resources, then the methodologies utilized to drive an intentional culture should follow the standard outlined in this e-book. If the processes you currently use to drive an intentional culture are not consistently applied by all managers in an objective manner to drive measurable results, then you could be misusing your valuable resources and missing out on the benefits of the Intentional Culture you desire.

You can successfully institutionalize an intentional culture that drives measurable results by objectively defining your intentional culture through the use of observable behaviors, sharing examples and the impact of living (or not living) the culture, frequently coaching and identifying improvement opportunities and evaluating employees. Observe, learn and create your ideal culture, rather than just letting one happen to you.



OBSERVE



LEARN



CREATE

## About ETW

ETW provides a platform to track, evaluate and measure employee performance against the major objectives of the organization. Easily execute and translate long-term strategy into clear, actionable goals. With ETW you can effectively communicate the company's roadmap to success and engage everyone throughout the organization with that roadmap. Using ETW your organization can connect employees to strategy and culture to drive sustainable winning results.



### EXECUTE TO WIN

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