

## Values driven Leadership

*Creating an organizational logos that stresses truth in all things, wisdom in all things, and excellence in all things moves work out of the mental model of a meaningless job and back into the realm of a meaningful calling.*

by **Jack Lannom**

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Last month I stated that a clearly defined and communicated set of organizational values is the bedrock of a leader's knowledge base. Let's look at some reasons why this is true.

### **Values provide stability.**

Values enable individuals and organizations to stand strong in the midst of change, chaos—even catastrophe. I live in southeast Florida. When a hurricane pummels our area, a number of trees are blown over, because so many of the trees have an extremely shallow root system. It is rare indeed, however, to see a large oak go down in a storm. This is because an oak tree that towers seventy feet into the sky has a root structure that extends seventy feet into the ground. The tree is a mirror of its root system. Those who know little about trees will gaze admiringly at a great oak and say, "Look how tall it is!" However, the man or woman who studies trees, such as a horticulturalist or a park ranger, understands that the root structure is most impressive; the deep roots provide strength and make the tree virtually indestructible.

Values give an organization its roots.

***A company must begin by  
determining what it wants to be  
before it can decide what it wants  
to do.***

When an organization begins to discuss what it will *do*, the discussion should center on mission and vision statements, which will identify where the leadership wants to take the organization. A values statement, on the other hand, establishes the character and culture of an organization. A company's core values determine what means will be used to bring the mission and vision to fruition. A vision statement may change or evolve; even a mission statement may be altered as core competencies expand or contract. However, an organization's foundation of values—if built upon the timeless principles of truth, wisdom, and excellence—should never change. Without clearly defined values, the organization's mission and vision are not supported by anything solid.

It has been well said that knowledge is power.

## ***People are made powerful through knowledge.***

How do leaders “grow” a company? The answer to the question is simple, yet profound: **You don't grow a company; you grow individuals.** A company is only as strong as the intellectual property that exists within each member of that company. A human body is unified by that body's DNA code. There can be no “free agents,” or “rogue” DNA, in a healthy body. (The “free radical” in the human body is called *cancer*.) In the very same way, there should be no maverick members in an organization when it comes to corporate values. Each member of the philosophically driven organization is unified by shared values, shared purpose, and shared vision. Each staffer becomes a trustee—a steward—of their organization's core values, core purpose, and its ultimate vision. Values provide a stable, reliable course heading which allows an individual, a family, a community, or a business to navigate through troubled, unpredictable waters—even through the most violent storms. Primacy *must* be on values.

The integral importance of values to top-flight leadership cannot be overemphasized.

In a previous article I was explaining the concept of the leader as a philosopher. In using the term “philosopher,” I mean that the best

business leaders have mastered the general principles or laws of the industry in which they work, and they have also developed their own standards of excellence—in ethics, in wisdom, and in truth—and these beliefs provide a template for the conduct of their lives. Leader's Leaders know what they believe and why they believe what they believe. In addition, they also know what they do *not* believe and why they do not believe it. Their philosophy governs and guides all their thoughts, words, and actions.

One of the most important roles of the leader as a philosopher is that **the Leader's Leader maintains and makes known a unified knowledge base that unites everyone in the organization.**

***And a critical element of every successful leader's knowledge is the values' system of the organization that he or she serves.***

A company that is firmly grounded on values is one that is philosophical, not functional. Companies must be efficient and functional, of course, but they must never be *merely* functional. Values move organizations away from being perfunctory and make the culture intensely personal. **Values put a human face on your organization.** For this reason, it is vitally important to possess and espouse timeless, enduring values which everyone in the organization can buy into, and which will touch their human spirit. If there are no values uniting an organization, a company becomes dehumanized and a staff becomes dispirited. The culture is not one of celebration, but rather a culture of frustration.

A second crucial aspect of values is that they must be communicated and made a way of life for *everyone* in the organization.

***Establishing a written values list takes the guesswork out of how***

## ***staffers should treat each other and treat their customers.***

When the newest hire on the janitorial staff shares the same values as the chairman of the board, there is a consistency of behavior that resonates throughout the entire organization. No one is excluded from the common values or exists above them; everyone is held accountable to demonstrate the excellence of the *logos*—the philosophy—in whatever task or role they fulfill.

Leaders who stress the importance of corporate values, both through their words *and* by their consistent example, encourage a staff to treat their co-workers *and* their customers according to those values. This creates consistency, which, in turn, produces trustworthiness and integrity that is clearly communicated to every customer.

**Values create confidence among a team**, because each member is sure that every staffer is going to do the right things for the right reasons. Values become a standard of excellence for everyone in the organization, and placing emphasis on common values gives staff clarity, unity of thought, and a uniform code of conduct which strikes a death-blow into the ego, mood, power, and crisis-driven management that characterizes far too many companies throughout the world.

## ***The values-driven company leads by principle, not by personality.***

A unified philosophy binds all members of the organization together and holds them accountable to one another. Common values give an organization the very best kind of predictability: both staffers *and* customers know what to expect from one another.

If you walk into a music store and firmly press one key on a piano, all the instruments in the room begin to resonate to that one note. In an organizational setting, the *logos* should be that dominant note. It provides a philosophy of excellence to which both your business systems and your human systems resonate.

## A Powerful, Purposeful Culture Part I

Herb Kelleher, CEO of Southwest Airlines, has said, "I tell people that the intangibles are more important than the tangibles."<sup>1</sup> A shared knowledge of the organization's purpose and values gives meaning to everything each individual does.

***Meaning gives purpose, and  
purpose gives power.***

Purpose energizes an individual, a group, or an organization. It is the all-controlling, all-dominating, all-connecting theme that governs and guides the attitudes and actions of each individual in the organization. They know what the company stands for and what it stands *against*. They have been given the plumb line for measuring personal and organizational performance, and performance will flourish among companies that follow Mr. Kelleher's advice and focus on "intangible" factors such as values.

Highly respected Harvard professor and author John Kotter worked with a colleague from the Harvard Business School, John Heskett, on a series of studies that examined the performance of 207 American firms in twenty-two industries. The two men continued to zero in on smaller sub-groups within that study, and after four years of research concluded that those firms which placed emphasis on satisfaction for all three of what the authors call "the key managerial constituencies (customers, stockholders, and employees)," while working to maintain a strong corporate culture based on a foundation of shared values and leadership at all levels of the organization, outperformed their competitors by stunning margins: "(The firms) that had performance enhancing cultures increased their revenues four times as much ... increased the number of people they employed by eight times as much and their stock price by 12 times as

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<sup>1</sup> Kenneth J. Rawley, "More CEOs Should Understand the Power of Kelleher's Style, Online:  
<http://albany.bizjournals.com/albany/stories/2001/07/09/smallb2.html> Viewed 2/20/02.

much. *They raised their net incomes, and hence the taxes they paid, by over 700 percent versus no increase for [firms with 'problem cultures']*.”<sup>2</sup>

The two professors noted that “We found considerably more evidence at the higher performers of a value system that really cared about all key constituencies ... No group was ignored, and fairness to everyone was a standard feature—a commitment often described as an emphasis on ‘integrity’ or ‘doing the right thing.’”<sup>3</sup> Their research underscores my contention that a shared sense of meaning allows an organization to “keep the main thing the main thing,” and enables staffers to major in the majors, not muddle on the minors. As Kotter and Heskett have demonstrated, the philosophically empowered culture will consistently outperform all others.

## ***A sense of shared values is ennobling, inspiring, and edifying to the human spirit.***

A shared sense of meaning should inspire us, it should ennoble our hearts, it should influence and exhort us—but it should also correct us, it should admonish us, and it should even rebuke us when necessary. Too many men and women today achieve success without significance, acquire money without meaning, accumulate finances without fulfillment, see shadow without substance, engage in ritual without reality, and experience activity without accomplishment. In short, Corporate America has lost its soul. The overwhelming message is on “right-sizing,” streamlining—more, better, faster, cheaper. There is very little in any of this to inspire the human spirit. A life of fulfillment and contentment is a life lived in harmony with timeless, transcendent truths. Fortunately, more and more companies are recognizing the need to help their employees build meaningful lives and pass on a legacy, rather than merely building the loot and passing on lunacy.

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<sup>2</sup> John P. Kotter and James L. Heskett, *Corporate Culture and Performance* (New York, NY: The Free Press, ©1992), pp. 11, 77-78. Emphasis added.

<sup>3</sup> Ibid., p. 52.

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A world-class philosophy rekindles passion and restores joy to the workplace.

More on this vitally important subject next month!

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**Jack Lannom** is an internationally known speaker, author, and consultant. He has served as a corporate coach for several Fortune 500 companies, including Citibank, R&R Donnelly and Sons, Jefferson Pilot Communications, Caterpillar, and also Knight-Ridder Newspapers and is featured on the PBS television program, "Lannom Memory Methods".

Jack is the author of *Untapped Potential*, *Transformational Coaching*, *Quantum Mind*, *Memory Genius*, *The Self-Concept Game*, *The Leaders Leader*, *You Are A Genius Children's Interactive Software*, *Lannom's Memory Methods*, *People First*, and *The Dynamics of Remembering Names and Faces*.

He's also a talented athlete who holds black belts in six different styles of Kung Fu, including a tenth degree black sash in Wa Lu. And Jack holds the world record for breaking a 3,150-pound block of ice with a single blow from his hand!

To learn more about Jack Lannom, visit his website here: [JackLannom.com](http://JackLannom.com) where you can sign up for his free newsletter, learn more about his products and read the next 25 pages of *People First*.

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