



Harry Franzheim—an HR/OD Practitioner for over 30 years—has published this newsletter to bring you careful insight into reducing costs and unlocking employee potential.

**AT ISSUE**

*Is there a gap between your stated corporate values and reality? Do managers say one thing but then do the exact opposite? It's hard to have a productive workforce when employees don't believe what management says.*

## Two-Faced Values at Your Company?



“

I'm promoting Jack because he's great to go golfing with and he buys the drinks afterward.

”

“

We promote people based on our values of performance, leadership ability, and hard work.

”

### HR Fact:

John P. Kotter and James L. Heskett, in *Corporate Culture and Performance* (Simon & Schuster, New York, NY: 1992), published the results of a study they made about the top performers across an 11-year span (in a field of 207 blue chip companies in 22 industries). They discovered these corporations had three common core values:

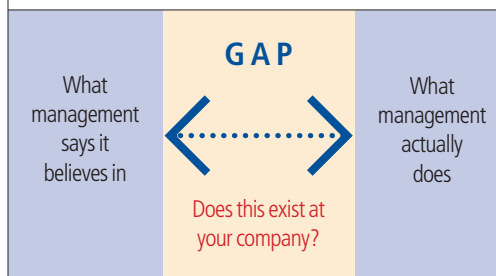
- Fanatical attention to employees' needs
- Fanatical attention to customers' needs
- Fanatical attention to stockholders' needs

Many good organizations have their corporate values prominently displayed in their front lobby or Web page (for New Era's, go to our website: [newerahr.com](http://newerahr.com)). But I wonder, really, how close do we hold these words as "valuable"? After all, the true test of a corporate value is whether or not you place more value on the behaviors that reflect the values, as opposed to those behaviors that don't. In other words, do I place higher value on an employee that embraces change, as opposed to someone that resists change? Will I promote an employee that demonstrates the ability to treat other employees with fairness, dignity, and respect over an employee that does not treat employees with fairness, dignity, and respect? When push comes to shove, will I stay committed to my stated values? Is there an actual alignment between what I say I value and what I actually place value on? If not, we have a

huge opportunity!

You will know that there is a gap between your espoused values and your values in action by the amount of "eye rolling" in the organization. When people roll their eyes it is typically an indication that they are thinking "here we go again"! They are feeling that they have heard all of this before and just like before, nothing will ever actually get accomplished. Does any of this sound familiar:

- "People get promoted based upon their effective use of leadership skills."
- "Our pay practices reward the best performers."



- "We hire the best talent and offer continuous training to keep them sharp."
- "Our employees' safety is a priority among everything we do."
- "Our customers come first."

Can you picture the eyes rolling?  
**The Truth Can Hurt but It's Less Confusing**  
 Not only are there eyes rolling but there are probably a lot of heads spinning too—spinning with confusion. Telling your employees that you believe in one thing and then doing the opposite is confusing and builds resentment and cynicism. We would be better off telling them nothing than to lie to them. Better yet, why not get very, very honest with the employees. They might have greater respect for a company that is honest with them, even if it makes them sick! Imagine being honest and making these values clear to the employees:

- "Getting the orders shipped is more important than employee safety or

product quality.”

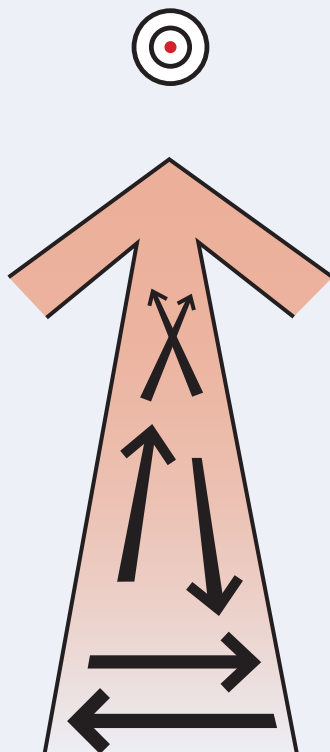
- “When it comes to promotions and pay raises, what matters most is who I like.”
- “HR policies are only meant to keep the company out of legal hot water; we only follow them when we have to.”
- “We are not an equal opportunity employer—certain people are not welcome here.”

No eye rolling now! But these statements, while maybe true, do not make us feel very proud or good! No organization would ever make public those kinds of statements; they would rather lie to their employees and then cover up the fact that they are lying to their employees. This phenomenon is akin to what Chris Argyris (author of *Flawed Advice and the Management Trap*) calls “Model 1 Behavior.” Argyris says, “Espoused theories often represent our ideas—indeed, our ideals—about effective action. Theories-in-use are what produce real, concrete actions.” It is easy to spot the inconsistencies or gaps in others but near impossible to see the gap in ourselves. Management actually believes they are acting consistent with their values and will argue vehemently if ever challenged. This defensive routine will act as a “sealing mechanism” to ensure that no one in the organization ever brings up the inconsistencies. To do so would cause embarrassment and result in what would feel like retaliation. But the leaders won’t think of it as retaliation because they didn’t see that they were being inconsistent in the first place, and they’ll think that the employee trying to discuss (the undiscussible) is simply a malcontent.

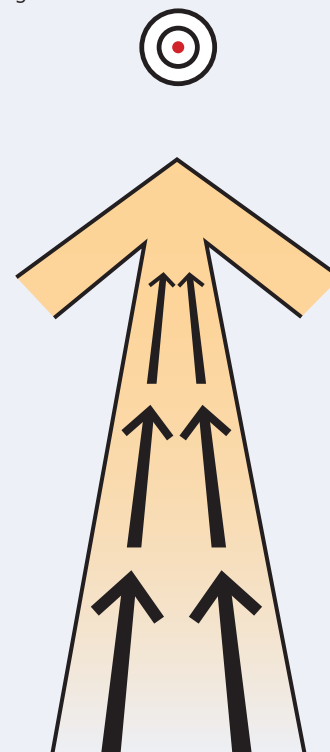
The gaps between what we say we believe in and what we actually do can be reduced without the harshness of the “honest” statements above. But what has to happen is that leaders must understand the stated values on behavioral terms and then be trained, coached, and evaluated based upon their consistency. Furthermore, leaders can actually be selected based upon

## Two Companies, Each Pointed to a Target, but with Different Results

**Company A** is not aligned in its values, pitting department against department, employee against employee.



**Company B** is aligned, with all departments and employees headed in one direction, the direction of its target.



Which company will hit its target first? Which describes your company?

their consistency of behaviors to values. For example, if our stated value (from New Era HR) is “we fix problems, not blame. Learning is paramount,” my leadership effectiveness can be determined by how well I do that. If my leadership behavior is all about tagging some individual for the mess they made, then it would reason that I would be ineffective as a leader and probably confusing to my team. So, by “walking the talk,” not only am I not confusing my employees, but I am also leading in the direction that we want to go.

### “Discuss the Undiscussible”

Using the corporate values statements as

tools to select, promote, evaluate, reward, and lead the workforce is powerful and cheap. This also ensures that the governing value system is evenly applied and part of the culture. When HR systems are designed around the value system, true alignment can take place. When employees are not rolling their eyes and not being confused by the gap between what management says it believes in and what it actually does, we can begin to unlock the potential of any workforce. The first step in values-based leadership is for management to be willing to discuss the undiscussible. **ne**



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