

REPOSITION CHECKPOINT REPORT - 'Values & Performance'

Characteristics of an Organisation that Embeds the Values into the Organisation & Drives Performance

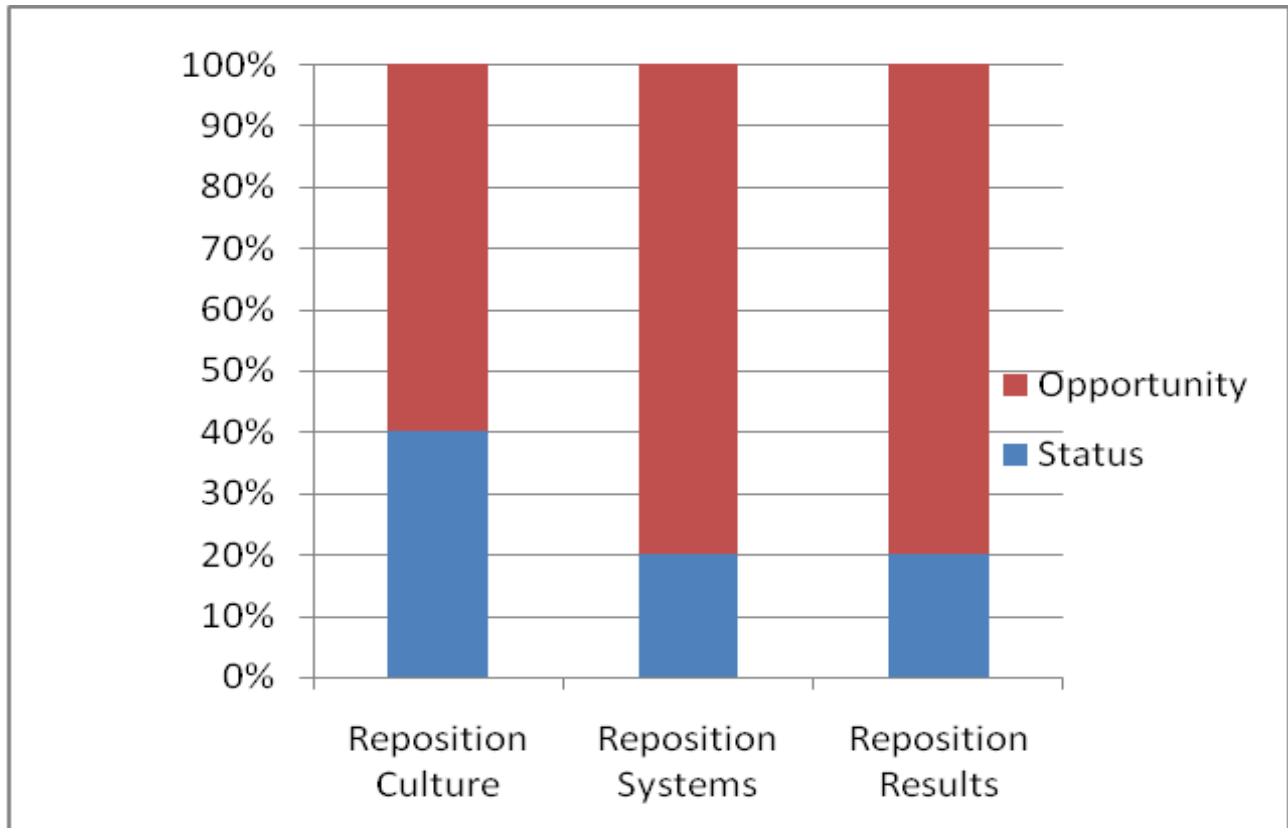
An organisation that drives the organisational values and enhances performance evidences the following:

Reposition Culture - Employees trust the character and the competence of the organisation's leadership and their commitment to the organisation's values. Executives are as serious about values as they are about performance. This comes through in the way the organisation conducts their business, and in the manner in which the organisation relates to employees, suppliers, customers, and investors. There is a real sense that the organisation is a trustworthy organisation that runs a good business with clearly stated values. The track record for the organisation is likely to be one of protracted successful business performance but also one where the organisation has sought to do 'the right thing' even when it has cost the organisation. There is a strong emphasis on being responsible, reliable, and dependable. People are made accountable for making business decisions that are guided by the organisation within their sphere of influence whilst also being accountable for acting ethically. Part of the company brand is the association of the company with a specific set of values that contributes to the organisational identity. This identity is recognised internally and by external stakeholders. The identity contributes to employee and customer loyalty, to engagement and to performance.

Reposition Systems - The organisation has a robust framework that promotes values based leadership and values based decision making. Values and character are taken very seriously during selection of employees and procurement of vendors. The processes are aligned to this emphasis. Induction programs and ethics programs ensure that employees and suppliers are continually reminded of the organisation's values at each and every level of the organisation. Offers to customers are unusually clear and straightforward and can be executed as promised. The sales effort is businesslike and efficient and is respected by customers. The framework surrounding sales and operations contributes greatly to a situation where sales and operations are recognised as reliable, dependable, and trustworthy. This promotes internal collaboration and customer confidence. There is very little ambiguity in what the company offers, at what prices, and how the offering is fulfilled. The organisation has a coherent identity for employees and customers.

Reposition Results Orientation - The values tone of the organisation is monitored and progress is required by management. The executive are actively involved in setting the standards for values based leadership and values based decision making. Fraud levels are comparatively low and productivity high, directly linked to high levels of employee engagement. Employees are committed to the business goals and to achieving these goals with proper business conduct. This twin emphasis on achievement and on doing things the right way is evident in the composition of the performance indicators and also in the reward and recognition programs. Customers are confident in the current and future performance of the business and in the manner in which the company conducts its business. Suppliers and investors express similar confidence in the organisation. Customer loyalty is high and employee turnover is fairly low. The key performance indicators consider all aspects of performance including ethics. The company has a values based leadership model which set out what behaviours are expected. This reinforces a values based identity.

SAMPLE REPORT – VALUES & PERFORMANCE - REPOSITION CHECKPOINT



There is a significant opportunity to enhance performance by strengthening the extent to which the directors and the executive and management make the Values live and impact performance.

Reposition Status – Values & Performance

Reposition 'Culture' - Status

<p>Employees are not fully engaged. Quite possible that a number of employees are seeking alternative roles. There is a sense that the values are there for external stakeholders, but that they are not relevant or important within the organisation. There is a disconnect between the employees application of the values and manner in which the values are applied by the executive. This creates a level of mistrust with diminished confidence. Relatively high staff turnover with relatively high levels of absenteeism, together with low productivity. Also expect to find executive behaviours that are contrary to the organisational values. Probable that non-management employees take most of the pain when times are difficult while the executives do not normally share in the downside. Also probable that executives take credit for the upside. Very little evidence of common purpose. While competence is valued, there is little emphasis on the need for character and demonstrated example. Fairly low commitment with low productivity. The values do not play a part in the organisation's identity.</p>	1	20 to 40
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Reposition 'Systems' – Status

<p>There may a set of organisational values but there is little in the organisation's systems and processes that indicate that the values are important. Indeed there is no evidence of a framework that embeds the values in the company's systems and processes. With regard to the recruitment and procurement processes the emphasis is on skills, and experience, and competence. There is very little focus on the organisation's values. The reference to values is limited to brochures and introductory information. Similarly the performance management system and the supplier assessment system places no emphasis on the organisation's values. In the sales effort the emphasis is on doing what must be done to conclude business. Business proposals regularly over-promise and under-price the service or product, such that the sales promise is not fully delivered. The incentive systems for sales drive selling activities that are neither commercially sound nor values based. The result is diminished customer confidence with internal conflict between sales and operations. At board level there is no monitoring and no goal setting concerning the organisational alignment with the organisation's values.</p>	2	00 to 20
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Reposition 'Results Orientation' – Status

<p>Absenteeism is fairly high and productivity fairly low with many indications of low levels of employee engagement. The emphasis is on detecting non-conformance rather than actively promoting strong results through values based decisions. Company discipline is applied in an ad-hoc manner dependent on who the offending party is. In other words the standards are modified according to the situation. There is a perception that executives and directors have a different standard to that applied to employees generally. Financial performance is measured but there is no measurement of alignment of conduct with the organisation's values. The board of directors does not require a progress report on the impact of the organisation's values on performance at the board meetings. The organisation has a comparatively high incidence of fraud and low level of productivity. Employee engagement is low with a negative impact on performance.</p>	3	00 to 20
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Reposition Opportunity | Initiatives – Values & Performance

Reposition ‘Culture’ – Opportunity | Initiatives

<p>Progress cannot be made without demonstrated example. The board & executive to take an honest hard look at the status of the organisation concerning the level of values based decision making. If a step-change is to take place the first obligation is with leadership: commit to the principle of taking pain in tough times and to ensuring employees share in the benefit in good times; commit to dealing with customers in a straightforward manner where offerings are ethical and are delivered; commit to clear communication with all stakeholders in good and bad times; build a culture of doing good business the right way; build a culture of working through business problems in a values based manner; reinforce the link between the organisation's values and performance; set a clear direction concerning the organisation's values and sound business decisions at all levels and ensure the systems are aligned and the organisation are engaged.</p>	1	20 to 40
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Reposition ‘Systems’ – Opportunity | Initiatives

<p>Values may feature in the organisation's publications, but there is little evidence of the same in the company wide management systems. The need is to establish a framework that drives values based decision making throughout the organisation and at every point of contact with external stakeholders. The project includes: ensuring a values program that is relevant and that impacts all employees and vendors; reviewing the criteria for employee selection and vendor selection to give emphasis to values in addition to competence; refining the recruitment and procurement processes to focus on values based decision making; upgrading the performance management process to ensure the incidence of irresponsible decision making is minimised and that values based decision making is maximised; including a review of 'values' performance as a standard agenda item for board meetings and executive meetings; redefining role descriptions to highlight examples of values based actions; reviewing business development processes to ensure offers to customers can be delivered; reviewing business development processes to ensure integrity in pricing and costing; reviewing the various incentive systems to ensure they do not prejudice any stakeholder by promoting irresponsible decisions and actions. The underlying direction is to establish an organisational framework that drives values based decision making.</p>	2	00 to 20
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Reposition ‘Results Orientation’ – Opportunity | Initiatives

<p>An organisation gets what it measures and what management pay attention to. Stress the importance of sound business judgement and values based decisions at all levels in the organisation and create key performance indicators that are readily understood. Ensure these key performance indicators require even more of the business leaders than they do of the non-management employees. Give specific attention to setting goals and to reporting on key performance indicators that indicate the ethical tone including such things as: absenteeism rates, fraud levels, productivity rates, output per capita, product returns or non-conforming service delivery, customer complaints. Ensure a 'values tone' performance report is an agenda item at board meetings and at executive meetings. Include a similar focus on values and performance on the agenda for functional and departmental meetings. Make the values relevant for each department or function and relevant for their specific contribution.</p>	3	00 to 20
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