Rainer Krumm

30 Minutes

Value-oriented leadership

Bibliographic information from the German National Library The German National Library lists this publication in the German National Bibliography. Detailed bibliographic information can be found online at http://dnb.d-nb.de.

ISBN 978-3-96739-086-8

Cover design: die imprimatur, Hainburg Cover concept: Martin Zech Design, Bremen

Editing: Happenstance Type-O-Rama, Oakland, USA

Set: Zerosoft, Timisoara (Romania)

Printing and processing: Print-on-demand

First published under the title "30 Minuten Werteorientiertes Führen" in 2014by GABAL Verlag Germany

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You'll know more in 30 minutes!

This book is designed to enable you to absorb concise and sound information in a short time. With the help of a guidance system, you will be led through the book. This will allow you to grasp the essentials within your personal time allotment (from 10 to 30 minutes).

Short reading time

You can read the whole book in 30 minutes. If you have less time, read only those passages that contain important information.

- All important information is printed in grey.
- Key questions with page references at the beginning of each chapter allow for quick orientation: you turn directly to the page that closes your knowledge gap.
- Numerous summaries within the chapters allow for skimming.



- The "Fast Reader" at the end of the book summarizes all important information.
- An index makes it easier to find what you are looking for.

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Preface

Everyone—whether in the role of customer, employee, or supplier, or in a private context—prefers to surround him- or herself with people who share the same values. In this association of like-minded people, people feel comfortable, are happy to contribute their knowledge and ideas, and are open to the opinions of others. What does this mean for value-oriented leadership?

Any company that wants to be successful today must use its corporate values to meet not only the expectations of its shareholders but also those of its employees and the public. If employees can identify with the corporate values of their employer, they are more willing to work for the company. Conversely, employees cannot fully stand behind a company and the work they do for it if it is not aligned with their values.

However, the figures are what is decisive for companies today—unfortunately, people are usually not taken into account. If employees perform well, they are worth the money. If they do not perform well, they will be replaced quickly. However, many managers have not yet understood that a company, and with it the management, has the power to get and keep "valuable" employees.

If you would like to retain your employees, you must respond to their needs with your corporate values, provide them with a working environment that is conducive to their well-being, and offer a job that fulfils them personally. The same applies to the recruitment of new employees. Values play the main role here because success comes to those who live their values. More than ever before, companies aim to have their values lived by managers and employees and to use these values as a guideline for orientation both internally and externally. Companies must be active participants in carrying out this goal.

But what makes values so special? What influence do values have on our thoughts and actions? How can value-based management make companies more successful in the long term?

I would like to give you an understanding of this rather elusive topic in 30 minutes—because there is so much behind it and it can move so many things.

I wish you much success in value-oriented leadership.

Rainer Krumm



Why does leadership often not work?

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What significance do values have for leadership?

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What happens when the leadership does not consider the values of the employees?

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1. Value-oriented leadership

Where does the energy come from that all people—but managers in particular—need every day? That strength that is needed when fun and motivation have been used up, all methods have become ineffective, and all tricks have failed—but the task has not yet been completed; the goal has not yet been reached?

The answer lies in values. Values are orientation variables, drivers; they are our yardstick for what is right and what is wrong; they are the guidelines for our thinking and acting. If values are trampled underfoot, we are not motivated and committed.

1.1 The importance of leadership

Just as we all are different, so too would we like to lead or be led differently. If, for example, our personalities do not fit the task or the environment in which we work, we cannot make the best use of them. For leadership, this means if leadership is not appropriate to (congruent with) the values, it does not work and triggers resistance from the employee.

Leadership forms the company within. The management's behavior determines the corporate culture. If the management changes its behavior—as, for example, in a change process—this means a major intervention in the further course of the process, which it can decisively influence. The task now is to reduce the widespread uncertainty among employees through transparency, to provide support and thus guide people safely through the change process. A manager can also act as a guide in such a process, showing how the team can adopt a behavior pattern appropriate to the new situation.

Why leadership often does not work

Although many managers do have the empathy to adapt to the personalities of their employees, they often remain within their own **understanding of the world and values**. However, they have to learn to step out of this in order to be able to immerse themselves in

the world of the company and its employees. This means an expansion of the world of thought.

Especially when a manager changes employer, it often happens that his or her previously well-functioning behavior patterns are suddenly completely out of place in the new position.

Important considerations for leadership work

If you want to lead in a value-oriented way, you have to consider the following four questions:

- At what value level are the company's management guidelines or leadership directives?
- At what value level is the manager?
- On which value level does the employee to be led think and act?
- What kind of work has to be done and what characteristics does this activity require/have?

In order to lead in the best possible way, it is absolutely essential to take into account the **uniqueness of each employee**: as part of the system, with his or her actions, feelings, motivations, values, and thoughts—and of course with his or her abilities. So the **framework conditions** must be right, which will motivate employees to use their skills in a targeted manner and develop new ideas. If the framework conditions are right, people like to work for and can identify better with the company.

The only person who behaves reasonably is my tailor. He takes new measurements every time he meets me, while everyone else always applies the old standards, thinking they still fit today.

George Bernard Shaw

In the following sections, I will first clarify the term *values* and then introduce the different areas of management in order to make the term even more tangible in the sense of the 9 Levels of Value Systems. Then I will present the **congruent management** according to this model by means of the individual Graves levels.



If you want to lead successfully, not only do you have to be aware of your behavior and thus your effect on others, but you also need to know what environment you are in and which values are important there. This fact is unfortunately often neglected. The 9 Levels of Value Systems awakens understanding and paves the way for value-oriented leadership.

1.2 Values and value systems— a definition

Everyone gets along best with the people who most closely share their own values. Why is that so?

We all have certain values that determine our thoughts and actions without us being aware of them. Values tell us whether something is good or bad, whether we accept or reject something that drives us or makes us unhappy. Values give us orientation and support. As important as values are in our lives, they are also difficult to grasp.

What are values?

If we take a closer look at the meaning of the term *values*, the question arises as to what is worth something and therefore important to us. The Latin word *valere* means to be healthy, to be strong—but also to be worth something, to be valid, to have influence. Value therefore contains something powerful for the human being, something that helps people to be and remain healthy. So values determine how we shape our lives and what we consider important.

When we think of values, we consider terms such as *respect, security, harmony, impulsiveness, clarity* or *transparency, status, empathy,* and *tolerance* and many others. Every person has not only individual values but also different rankings for these values. For some people, harmony means reconciling job and private life. For others, harmony exists if they can live in accordance with nature.

If you look at interpersonal relationships, different values offer plenty of reasons for difficulties and conflicts. But individuals also can have inner conflicts within themselves because of their values; namely, when they do something or are forced to do something that does not correspond to their values and convictions. If this inner distress becomes a constant companion, this has a negative effect on the person's overall condition. The person is under constant stress, loses more and more motivation, and has already internally quit.

With regard to managing employees, the following extract from the Values Commission's report on the 2013 management survey sums up the topic: "Above all, the involvement of employees in the long-term value process and the consideration of personal values when hiring employees are recommended. Likewise, integrating values into employees' target agreements is an important step towards promoting values in companies. Further measures are: Integration of the debate on values into the training of junior staff, feedback interviews/surveys for employees, and team measures. In addition, the open discussion between employees and their superiors and the designation of clear responsibilities are particularly important. The implementation of values can thus be regarded as a 'management instrument' of the future" (Führungskräftebefragung 2013 der Wertekommision – Initiative Werte - Bewusste Führung, Die Zukunft der Arbeit, Die Wertedebatte, Kai Hattendorf, p. 25).

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Values determine our thoughts and actions, usually without us being aware of them. They drive us, give us direction, and help us to decide what is right or wrong. If we act contrary to our values,

this triggers an inner conflict. In a business context, the consequences are stress, lack of motivation, and inner resignation.

1.3 How are values shaped?

When we consciously perceive a condition or a fact, we think about and evaluate it. This means that we make ourselves aware of what we are dealing with and classify it for ourselves.

Our consciousness begins to mature slowly immediately after birth, and around the second year of life is when we perceive ourselves as a person. As soon as an infant recognizes itself as an independent personality, it imitates the actions and behavior of its caregivers. In the further course of life, other people and groups join in, which in turn help shape thoughts and actions.

As we develop, our values also change again and again—in other words, they shift and adapt to the prevailing conditions.

The main stages of human development

The sociologist Morris Massey (Tad, 1991) divides the stages of human development into three main periodic areas:

- the minting period—from birth to age 7
- the modelling period—from ages 8 to 13
- the socialization period—from ages 14 to 21