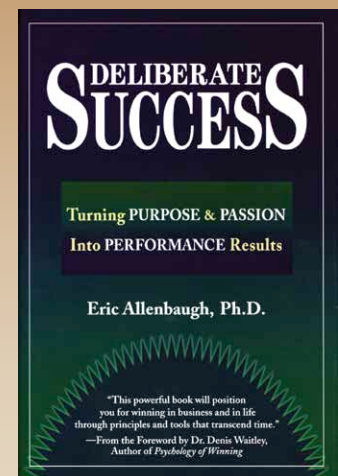

PRINCIPLED DECISION-MAKING[®]

Written by G. Eric Allenbaugh, Ph.D.

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PRINCIPLED DECISION-MAKING[®]

THE CORPORATE NAVIGATOR: Mission, Vision, and Values

All too often, organizational mission and value statements become mere public relations rhetoric that have little significance in guiding decisions and behaviors. You might see carefully worded mission and value statements prominently posted in conspicuous locations, but typically ignored by the very people who are “expected” to put them into practice. This lack of commitment to a clear strategic direction often coincides with lackluster organizational performance.

Peak performing organizations, however, integrate mission, vision, and values into their culture – they become a way of doing business. These guiding principles provide a context within which decisions and behaviors are tested to assure alignment. Like a “corporate navigator,” the mission, vision, and values provide clarity of direction while simultaneously shaping the quality of the journey.

Alignment of decisions and actions with mission, vision, and values becomes the heart and soul of principle-centered, high performance organizations.

Not just words on a piece of paper, these guiding forces impact every aspect of the organizational culture and business practices – and it pays off. According to ongoing studies by The Great Place to Work Institute, principled-centered organizations (The 100 Best Companies):

- Receive more qualified job applications for open positions,
- Experience a lower level of turnover,
- Experience reductions in health care costs,
- Enjoy higher levels of customer satisfaction and customer loyalty,
- Foster greater innovation, creativity and appropriate risk taking,
- Benefit from higher productivity, and
- Experience a significantly higher rate of return on stock investments than their S&P 500 counterparts. (Latest results reported in 2007.)

Leaders have two primary functions:

- 1) to create a compelling direction, and
- 2) to convert that direction into reality. To make a difference, then, leaders need to translate the mission, vision, and values from concepts into practice. Each decision provides a choice point in which leaders and team members

are encouraged to align with the “Corporate Navigator” by asking four key questions:

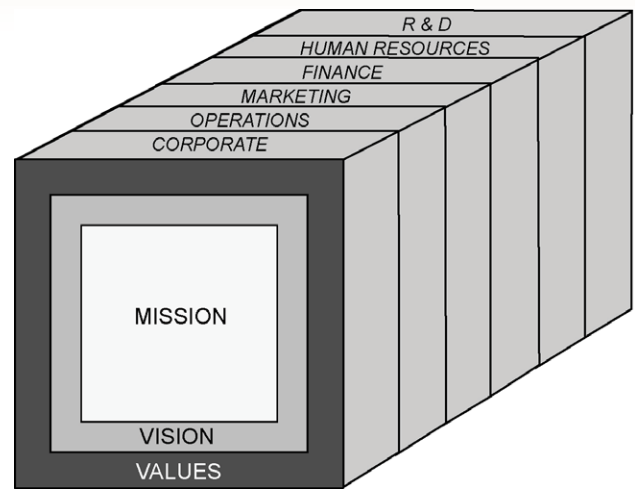
- 1) Is what I am doing right now consistent with our mission?
- 2) Is what I am doing right now bringing us closer to our vision?
- 3) Is what I am doing right now honoring our values?
- 4) Is what I am doing right now delighting our customers?

Affirmative answers to these questions provide point-of-service clarity in converting the concepts into reality. No longer just words on a piece of paper, the mission, vision, and values become an integral part of determining what we do and how we do it.

VALUE BASED DECISIONS

Values are those deep-seated beliefs that provide you with a code of conduct that governs both your attitudes and behavior. To learn more about what you personally value, you need to look no further than your checkbook and your calendar! And it’s not much different in organizations. Financial and time priorities say a great deal about organizational values. The real test of your values is not when things are going well — the real test is when things are not going well. So, when the pressure is on, what kinds of behaviors surface?

“Decisions are easy when values are clear.”
Roy Disney



“WALKING THE TALK”

It’s easy to talk principled decision making, but challenging to convert those principles into actions. Political sensitivities, special interest groups, stockholder expectations, time pressures, union demands, and competitive forces can derail principled decision-making. As a result, we sometimes bow to pressure and make expedient, short-term decisions – decisions that frequently come back to haunt us. Today’s “solutions,” under those circumstances, frequently become tomorrow’s problems.

“The hard stuff is easy. The soft stuff is hard.”
Tom Peters

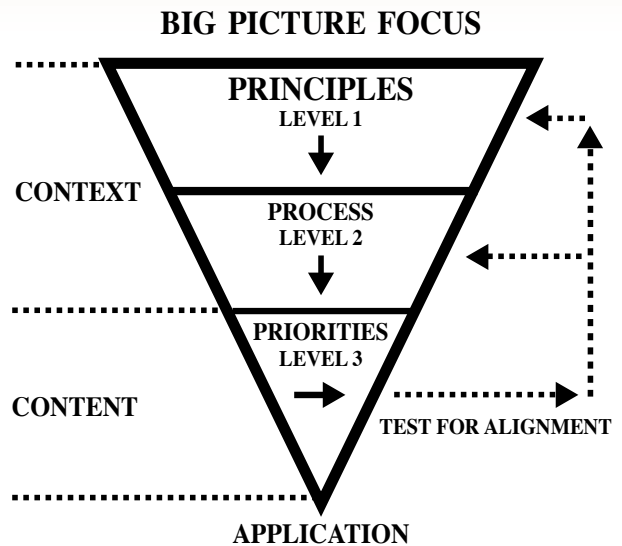
Mission, vision, and core values provide a context for organizational planning, operations, decision making, and customer service. Acting within that context provides clarity of direction and unity of purpose. Principle centered, value based leadership builds a productive and profitable organization while engaging employees, building trust, enhancing teamwork, and fostering empowerment aligned with strategic initiatives. Operating outside of that context, however, introduces chaos and confuses

people. If leaders do not provide clear direction and make decisions consistent within a clearly defined context of mission, vision, and values, team members are forced to invent their own direction. Under those circumstances, employees eventually lose sight of the overall corporate direction and will likely begin making self-serving decisions. Territorialism, turf protection, we-they attitudes, budget games, hoarding materials, and poor work attitudes start creeping into the organization. Employees become disengaged the customers eventually look elsewhere for goods and services.

If leaders neither provide clear direction nor make decisions consistent with that course, employees are forced to invent their own direction.

THE DECISION FUNNEL: Principles, Process, and Priorities

Principle centered, value driven companies integrate everything they do within the context of their strategic direction and philosophy. Planning, strategizing, and tactical implementation are accomplished within the context of mission, vision, and values. They carefully select and integrate new associates into their culture based on these guidelines. Who they are and what they do reflect the core ideologies within their carefully defined context of the Decision Funnel: P1:Principles, P2:Process, and P3:Priorities.



PRINCIPLED DECISION MAKING Putting our Content into Context

Starting at the top of the “Decision Making Funnel,” decisions and actions are first aligned with P1: Principles. Assuming passage of that test, the same decisions and actions are then tested against P2: Process. Principles and Process together make up the context into which the content, P3: Priorities, are placed. This simple, yet effective alignment process assures that your decisions and actions are consistent with what is said important. When these guides are integrated into the culture, we can empower people to function with accountability by answering the following key questions.

P1: PRINCIPLES - The guiding factors

Is what we are addressing:

- Consistent with our mission?
- Bringing us closer to our vision?
- Honoring our values?
- Delighting our customers?

P2: PROCESS - The “Being” factors

Is how we are “being:”

- Promoting teamwork?
- Enhancing communication?
- Empowering others with accountability?
- Handling conflict directly and respectfully?
- Utilizing sound decision criteria and methods?

P3: PRIORITIES - The “Doing” factors

Is what we are doing:

- Addressing the right priorities?
- Achieving the desired results?
- Promoting learning opportunities?

P1: Principles provide a “corporate navigator” for team planning and decision making. The guiding factors of mission, vision, and values unite even diverse people behind a shared purpose. These guiding principles provide a big picture context into which priorities can later be placed.

Teams often make a serious mistake by impatiently skipping P1 (Principles) and even P2 (Process) to address the immediate issues calling for attention P3 (Priorities). On the surface, the team appears to have saved time by rapidly addressing the issue and pounding out a solution. They often feel good in getting “something tangible accomplished,” only to later learn that the “solution” lacks ownership and commitment. In fact, team members often complain (in the “parking lot”) that their ideas were not listened to, alternative solutions were not explored, and that overly directive leaders forced solutions upon them. In the long-run, this “short cut” approach ultimately consumes more time and resources as leaders now have to back-track in an effort to

open up communications, build trust, deal with strained interpersonal issues – and then finally readdress the original issue. An old American Indian saying seems to capture the essence of this dilemma: “Go slow – go fast. Go fast – go slow.”

When individual team members align with the mission, vision, and culture, creative ideas flow within a context and direction that serves the long-term interests of the organization.

In many respects, P1 provides big picture clarity of what we say “Yes” to and what we say “No” to. Credibility, confidence, and commitment seem to naturally flow from a shared focus on the big picture principles.

P2: Process emphasizes the “being” elements — how the team interacts in addressing principles and issues. P2 focuses on the intangible, yet critical, elements of fostering trust, supporting open communications, honoring differences, building a spirit of partnership, practicing win-win conflict methods, and enhancing creativity. Within P2, teams also benefit by taking the time to agree on appropriate problem solving methods and decision-making criteria.

Once again, the pressure of time and the nature of some leadership styles to quickly pound out a solution can get the team off track and abandon efforts to address this ever-so-critical “process” element. Do not proceed to P3 until the team has a clear understanding of and commitment to the context of P1 and P2. I am not advocating in any way that groups engage in analysis paralysis or get stuck in group process — these behaviors can be just as dysfunctional. Taking the time up front to develop a shared context, however, will make it far easier to work through the actual issues.

P3: Priorities finally addresses the actual task or “doing” factors – dealing with your content. In working through the issues, we have the context of P1 and P2 to operate within. Making decisions within the framework of your principles and process greatly facilitates the development of quality decisions while building unity of purpose and clarity of direction. In this stage, we identify issues, explore options, participate in creative problem solving, develop action plans, and explore appropriate follow-up and evaluation methods. P3 also provides an opportunity for individual and team learning to enhance long-term results.

This systematic process of putting “content into context” challenges some hard-driving, action-oriented executives. They tend to quickly drop down to P3, Priorities, and miss the benefit of P1 and P2. They want the issues addressed and want results now, thank you. While quick decisions are certainly appropriate in some situations, those rapid actions frequently have a long-term cost that comes back to haunt us. The following experience demonstrates how a group of top executives learned how to put their content into context:

Several years ago, I received a phone call from the President and CEO of a multi-billion dollar national corporation. He and five other leaders were “at war” with one another, causing chaos in the entire corporate environment. In addition to the corporate president, three regional presidents and two regional board chair participated in the organizational skirmish. Imagine how their infighting affected people further out in the organization!

I flew to their respective offices and met with each of the executives face-to-face. After

listening to their tales of woe, I introduced to each of them the P1-P2-P3 Principled Decision Making Funnel. Because their current approach clearly did not work, they demonstrated at least some openness to exploring decision-making alternatives.

To lead the planned executive session for success, I sought out and secured the following two advance agreements from each of the six executives: 1) that we would work through and come to agreement about the P1 and P2 Principles & Process before addressing their P3 Priorities, and 2) that if and when we ran into trouble while addressing their P3 Priorities, we would “pause,” back up, and revisit P1 and P2. Each of the executives agreed with both of these advance requirements.

With these two agreements in hand, we flew to a common location and began our work — starting with P1 Principles. To their amazement, they achieved agreement about the big picture — the mission, vision, and values. As we began exploring the P2 Process of how we work together, how we communicate, how we handle conflict, and how we solve problems, these bottom-line oriented executives started growing impatient. “Eric,” they chimed, “we want to deal with our issues, not this ‘process BS.’” “No,” I responded, “we are not ready yet to address the issues in a way that produces a win-win result. You have had a lot of experience in battling over issues, and I don’t want you to repeat that.”

During a break, the six executives joined together in a “parking lot” meeting to grumble. Like the many times before, they

wanted to jump into their issues and not deal with this “process BS.” (We are funny critters, we human beings. If something does not work, we tend to want to repeat it. And these top executives were no exception to the rule.)

Two things tend to unite people: a shared purpose or a common enemy. The executives now seemed united by a common enemy — me! They came in from the break and said they wanted to skip the process and address the issues. Can you imagine the pressure I felt coming from four presidents and two regional board chair to change the agenda?

I restated that we had an advance agreement to work through P1 and P2 before addressing their priority topics and that they were not ready to deal with their issues. They had had plenty of experience dealing unsuccessfully with issues out of context, and I was not about to let them repeat that experience. “You gave me your word that we would work through P1 and P2 before advancing to P3.” I even increased the heat a bit by asking them: “When you make an agreement, what does that mean?” They got the point and agreed to stick to the original plan.

After then completing P1 and P2, we finally started to address the issue they so impatiently wanted to pursue. Sure enough, they ran into trouble. Their old stuff surfaced and conflict once again stalled progress. But something different happened this time. One of the executives stated: “We need to pause right now and go back to P1 and P2!” He even used the word “pause!” They collectively revisited their Principles they had agreed to and the Process tools we had explored.

Through their self-initiated correction, they reestablished a context to work within and then proceeded to revisit the issue they had stalled on moments before. It worked — and it worked well. Good for them!

The executives learned the value of putting their content into context — and how to work back and forth between the Principles, Process, and Priorities to achieve optimal results. They resolved their issues while continuing to build even stronger working relationships. The Bottom Line? They accomplished their priority issue, a corporate reorganization, in less than five months. Prior to this, they expected the task to take a full eighteen months. Not bad. Not bad at all.

Linking Principles & Process with Priorities in all organizational activities facilitates achieving tangible results while creating an environment that supports teamwork, individual fulfillment, higher productivity, and enhanced customer service. Those are noteworthy results for taking the time to align your P3 content within your P1 and P2 context.

Yes, principled leadership takes more time initially. In the long-run, however, leading with vision and values saves time, releases human potential, and focuses corporate resources on the more important issues calling for attention — namely the mission, vision, core strategies, and goals. (One of my value-driven clients accomplished a major five-year goal in only four months. And yet another completed a project they initially thought would take more than five years — in only eleven months.)

Amazing things happen when people work together in harmony toward a shared purpose and with common values. Paying attention to the "soft stuff" produces great bottom line results while sharpening your competitive edge. Engaging your team first in clarification of Principles and Process before dealing with your Priorities generates significantly better results. Can you afford to do anything differently?

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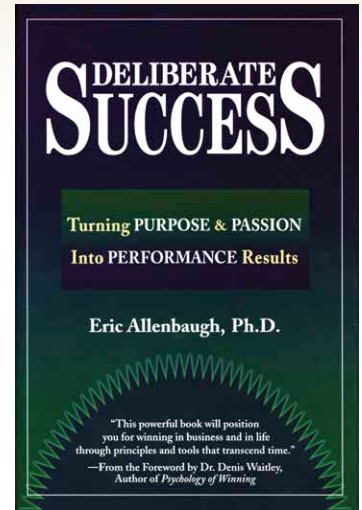
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