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For Workplace News

A great social observer once said, "All happy families are alike; each unhappy family is unhappy in its own way." The same sentiment could be applied to organizations.

Recessions and other times of crisis (like global conflicts) have a way of separating happy organizations from those that just talk a good game when the going is easy.

In some organizations, morale becomes low and uncertainty becomes high. The people in such organizations feel stressed out, demotivated and lost. In other organizations, employees hunker down, ride out the storm, and build the means for future success.

What is the root cause of that difference? It all comes down to values — the organization's and the individual's — and how well those values align or clash. Every happy organization is aligned in much the same way; each unhappy organization finds itself in its own unique mess.

An economic philosopher of the nineteenth century noted that a company's success is based on its acquisition and maintenance of "capital." This statement can still hold true today, although perhaps not with the exact meaning it held 200 years ago.

## The happy organization

We have since come to recognize that a company's greatest asset is its people, or "human capital." Product alone is no longer the means of creating sustainable market differences. The only real competitive advantage comes about through your people, specifically how they behave with one another, as well as with your customers, suppliers, and community.

Individuals (and organizations) are defined by how consistently they act in a variety of circumstances. The driving force behind behaviours is our values. Values matter because we are emotional beings. We all seek approval and reinforcement for the things we do. Within organizations, employees win favour from their managers by literally looking to them for signals that define correct behaviour.

When the employee's values and the organization's values are aligned, employees can easily transfer their behaviours to those of the organization, leading to reinforcement and reward from management.

This is when employees produce their most outstanding results. But what happens when values are not aligned? When employees know there is conflict between their behaviors (Or what feels comfortable) and the behaviors demonstrated or reinforced by their direct manager, they feel stressed out.

People under stress (as working capital) lead to unhappy customers,

unhealthy employees (high rates of sick and stress leave), and tension in the workplace (low customer satisfaction, poor quality of work).

Values are articulated by all organizations in the day-to-day treatment of employees and in the way the leadership of the organization behaves towards its employees, suppliers, customers, and share holders. The lynchpin is leadership.

Happy organizations are those in which leaders provide clear and consistent articulation of values and live them day-to-day, in good times and bad times.

What makes it safe for a child to be a member of a family is the consistency and "predictability" of the family's values, in good times and bad. A child looks to a parent, older sibling, or grandparent for signals and direction, in the same way an employee looks to a direct manager or a senior executive for guidance.

As employees, we are drawn to and crave that type of consistency from our leaders. The issue is not what the leaders say on the Web site or on the back of a business card, but in day-to-day actions. When words and deeds are aligned, great things happen — ordinary people do extraordinary things. When they are not aligned, employees look to their immediate manager for direction on how to act in a variety of circumstances, uncertain of which master to please, unable to

commit with conviction to doing the right thing.

When organizations embrace a clear and consistent set of values at all levels they generate tremendous energy. It doesn't matter how arduous the circumstances, the employee will still pursue a compelling vision. As long as values are aligned throughout the organization and consistently followed, employees will feel the safety and support for motivation, the commitment required to act with a sense of ownership, and the freedom to innovate and improve processes.

Happy organizations use the following formula to achieve greatness:

**Values** What an organization holds to be true

X

**Vision** What an organization strives to become

X

**Leadership** How managers hold themselves and their direct reports accountable

X

**Execution** How employees do their jobs within that discipline

=

**Greatness** Measured by integrity, business results, and employee brand

When this formula comes together, the resulting positive energy creates an organization that employees want to be part of and one that they are motivated to help succeed.

On the other hand, there are those organizations that talk "sincerely"

about their values, but do not live up to those values when times are tough.

The good thing about a crisis is that it provides values with the ultimate test. A value is not a value until it has met such a test — it is still just a belief. Beliefs bend and change when pressure gets exerted. Values don't. Does your organization really value integrity, development or community service? Well, let's see what happens when its profitability, market segment, or share price gets threatened. Those values weren't real values all along if they bend with the times; they were just beliefs, a set of nice-to-have statements that suited the organization when convenient and didn't suit it at other times.

When leaders say one thing and do another, employees are not fooled. Employees may act as though they are okay with values that bend and sway with the wind, but really they're just protecting themselves, seeking cover from a leader's unpredictable standards. The result is "earned cynicism," a topic which will be the subject of next month's column. ●

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