

# CORPORATEWISDOM<sup>M</sup>

## Values – an extraordinary and underrated leadership tool

Every individual in an organisation has their own set of values – a ladder of things that are most important to them. Value systems are inherently individualistic. They are a product of our upbringing and experience.

**In the work that I have done with many executives over the last twenty years, values are a tool used by the best leaders to understand and appreciate themselves, and the people they lead. And that understanding and appreciation paves the way for higher levels of service and performance.**

### Before leading others, lead thyself

As Socrates said, “know thyself”. Knowing your own true values and nature is key to knowing and leading others. So one of the things I ask prospective senior executive candidates to do is to tell me their top 3-4 values – the things most important to them, as demonstrated by their leadership and their life. Where someone puts their time and other resources such as energy and money. These are true values. Some of these will shift around over time, given circumstances and changing life stages, however there will be a core of true values that are consistent through someone’s life.

## Why Values are a vital leadership tool

### First, they predict priorities and challenges

For an executive, listing their top 3-4 values is great preparation for any role. They will likely know them, however there is merit in writing them down. It is great preparation because it means they are more keenly aware of what they truly value. These values will inform the priorities they set for themselves and for their area or the organisation, in the case of the CEO.

They are not the whole ball game, since the context is key to this also – context meaning what is faced by the organisation in terms of challenges and opportunities. Values are highly useful however in giving information about the lenses through which the executive perceives things. We selectively attend to things of most value. If you ever doubt this, look at an audience watching a speech and see them tune in and to different parts of the speech, depending on their values.

And of course our values determine the areas where we will most keenly feel challenged – because we value whatever is being challenged. If someone has wealth at the top of their list and they face financial problems, they will likely feel the challenge of that more intensely than someone who has a different list. And we attract challenges in the area of our highest values, to help us grow as people – and through that, as leaders.

### Second, they are a highly effective leadership tool

One of the things that I observe really good executives do is to observe and learn through interaction the top values of each person in their team. This is a great leadership tool because it:

- Tells you what language to use to communicate what they want – also known as linking their goals in their conversations with what their team member rates as truly important
- Helps the leader link their values and priorities with that of the team member – how is the team member’s values served by what the leader has as a value in a given situation. As leader, once you see that, leadership flows.

Level 6, 38 Macleay Street Potts Point NSW 2011 Sydney Australia

PO Box 1278 Potts Point NSW 2011

Telephone: +61 2 9332 2800 | Facsimile: +61 2 9966 4141

Email: [bw@corporatewisdom.com](mailto:bw@corporatewisdom.com) | [www.corporatewisdom.com](http://www.corporatewisdom.com) | Lymvat Pty Ltd | ABN 79711726023

# CORPORATEWISDOM<sup>M</sup>

In the book “What they don’t teach you at Harvard Business School” the axiom “people do business with people they like” is offered. I would add that the foundation of true liking is appreciation – appreciation that comes from understanding someone’s values and priorities. Because in doing that, you appreciate them – you “get” them.

### **Third, Values are a way of building relationships more generally**

Many organisations have a collective set of values for the organisation. Some of these are generic and hardly referred to. Others live and breathe as the collective set of organisational values that reflect and shape the culture.

I observe in my work that the organisations where the values live and breathe are where people take the time to do the work of understanding what is important to each other – and values provide this pathway. Often this is one on one conversations or small group meetings – and this is where culture is built.

Level 6, 38 Macleay Street Potts Point NSW 2011 Sydney Australia  
PO Box 1278 Potts Point NSW 2011

Telephone: +61 2 9332 2800 | Facsimile: +61 2 9966 4141

Email: [bw@corporatewisdom.com](mailto:bw@corporatewisdom.com) | [www.corporatewisdom.com](http://www.corporatewisdom.com) | Lymvat Pty Ltd | ABN 79711726023