



VALUE
STORIES
&
CULTURE
BOOKS

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Lasting change is a series of compromises. And compromise is all right, as long your values don't change.

Jane Goodall,
British primatologist
(1934–)

There are two kinds of values that both groups and individuals can recognize. Core values are the ones that come naturally to you. Without them, you wouldn't be yourself. Wish values are the ones you aspire to have. It will take effort for you to embrace them. For best effect, you should spin your values into a personal story.

Self-interest works only as long as there's a containment vessel—a set of ethical principles that ensures enlightened self-interest doesn't melt down into unbridled selfishness.

Hamel, *What Matters Now* loc:340

Honor and *self-discipline* are two examples of **values**, or virtues, of human beings. They are important. Without respect for existing value, the creation of new value easily melts down into selfishness.

I can tell you similar stories of how I pay all my suppliers within two weeks of receiving their invoices (*fairness*), how I never require contracts for my speaking engagements (*integrity*), how I use a daily reminder for myself to say “thank-you” to someone (*gratitude*), and how I spent weeks trying to figure out which charity organization to contribute to (*generosity*). I do these things because I find them important. They are important to *me*. Not only do they help me be happier with myself, but having an inspiring purpose and clear values also helps me to keep focus in my work and make decisions more easily. Purpose and values allow people to say either “Yes” or “No” to requests and opportunities with more conviction. Research confirms that clarity of values and direction makes a significant difference in behavior at work and is a force behind motivation, commitment, and productivity. [Kouzes and Posner, *Leadership Challenge* loc:1173] Many employees in the world are in need of these clearer boundaries, because most of them suffer from cognitive overload: too many choices and too little direction. [Ashkenas, *Simply Effective* loc:242]

When I signed the contract for my first book, *Management 3.0*, my publisher and I agreed on the deadline of August 1, 2010, for the delivery of my completed manuscript. The editor added that this deadline was just a formality. “We know you authors”, he said. “You almost never meet your deadlines, and that’s OK. Just deliver whenever you’re ready.” But I replied, “No, I’m not one of those authors. I intend to deliver my book on schedule.” And I did. I emailed the completed manuscript to the editor on August 1, 2010, four minutes before midnight. I even had time to pour myself a drink.

Apparently, meeting the deadline was important to me. It was a matter of *discipline* and a matter of *honor*. I wanted to prove something to myself. As a beginning author, I thought it was in my own self-interest to be able to keep a promise.

Creating Value

When you see an organization as a network of people creating value (as I do), then you inevitably come to the conclusion that all clients and stakeholders participate in this network in order to derive value from it. Customers, shareholders, employees, suppliers, banks, communities, business partners, governments, in short, everyone who is economically involved with the organization, try to get some value out of it. Otherwise they would not contribute to that collaborative project that we call a business.

You can only create new value when you protect what is already valuable. When you delight customers while screwing suppliers, you're not *creating* value, you're just *moving* it from one stakeholder to the other. When you increase short-term productivity while cutting corners in quality, you're not creating value, you're just *stealing* it from the future. And when you think you create shareholder value by depleting natural resources, you're not creating value; you're just *transforming* part of an ecosystem into an economy.

You can only create new value
when you protect what is already valuable.

True value creation happens when you respect the things that are already valuable to some clients. This means taking into account the values of people at all levels of the organization and in all corners of the network.

Rather than viewing organizational processes as ways of extracting more economic value, great companies create frameworks that use societal value and human values as decision-making criteria.

Moss Kanter,
"How Great Companies Think Differently"

"But", I hear you think, "What is valuable to clients and stakeholders? Which values should we respect and uphold? I want to be a true value creator, but how do I do it?" Well, it seems you're showing signs of *curiosity*, *enthusiasm*, and *determination*. Great! That means you're already on your way to knowing the answer.

Learn
From
Failure

Core Values

A company I worked for once won an award for the “best business in the region of Rotterdam, The Netherlands”. The jury praised the company for its *reliability* and its *stability*. The company was indeed expressing these values competently, but if the organization had been remarkable in terms of *agility* and *flexibility* as well, maybe it would have survived the years that came after.

There are some things you do because that’s just the way you are. (At least, that’s what I keep telling myself every time I make a naïve remark, born out of *honesty*, at exactly the wrong moment to the wrong people.) The virtues that are wired into your mindset or your culture, and lead to your natural behavior, are your **core values**. For me, that could be *ambition*, *creativity*, and *focus*. (Sorry, I can’t add *modesty* here.) For another, it might be confidence, courage, and self-discipline. Communities of people can have values as well. One organization could have *determination*, *leadership*, and *innovation* in its cultural DNA. For another it could be *philanthropy*, *love*, and *outrageousness*.

Core values lie at the heart of the organization’s identity, do not change over time, and must already exist. In other words, they cannot be contrived.

Lencioni, *The Advantage* loc:1788





Of course, having three values is arbitrary. Every person, and every organization, can determine that any number of values are important. But a focus on too many things is a focus on nothing. Don't try to be everything to everyone. That's why most experts agree it's useful to select just two or three values as most important.

Sometimes I may lack the will to aim higher, have a stupid uninspiring idea, or have too many activities going on. At such moments, I temporarily lose sight of my own strengths and my core values. With organizations, it's the same. You emphasize your *core* values because you don't want to forget who you are. This might come in handy the next time you're tempted to mistreat a supplier, compromise on quality, or abuse natural resources.

Wish Values

More interesting than discovering
“who you are”
is learning who you could become.

There are usually other values that you *aspire* to have as your core values, but unfortunately they don't come naturally to you—yet. It takes effort on your part to remind yourself that these values are important for your success and that you want to give them special attention. After all, more interesting than discovering “who you are” is learning who you could become. We could call these your **wish values** or aspirational values. They complement your core values. For teams and organizations, again, it is the same. They can aspire to embrace certain wish values to complement their core values.

These are the characteristics that an organization wants to have, wishes it already had, and believes it must develop in order to maximize its success in its current market environment.

Lencioni, *The Advantage* loc:1815

When you successfully develop your wish values, they could ultimately become your core values. But, even when they are not yet part of your mindset or culture, your desire to pursue them can play a significant role in your work. And both core values and wish values enable you to differentiate yourself from others in order to attract employees, customers, or business partners. [Goodman, “Your Company’s Founding Principles”]

Core values and wish values
enable you to differentiate yourself
from others.

Even more values

In his book *The Advantage*, Patrick Lencioni describes two other kinds of values: permission-to-play values and accidental values.

Permission-to-play values can be said to be part of the laws of the organization. They can be virtues such as non-discrimination and equality that should translate to clear and unambiguous rules for everyone. A violation of such permission-to-play values can be a reason to terminate a person's contract, but we don't have to treat these values as core values or wish values.

Accidental values can emerge as a result of self-organization. Simply because of unplanned social processes it can happen that most employees are cautious, humorous, pragmatic, or anything else. We have a habit of hiring people who are similar to us with comparable virtues, but that doesn't mean that we should focus on these as core values or wish values.



Value List

As the result of a bit of searching and some spare time on a flight from Shanghai to Dubai, I created the following list of 250 values, from a collection of multiple sources. I ignored words such as *religiousness* and *sexiness*, or any other words that did not seem very businesslike (unless your business is a church or a brothel, or both). You can use this list to find and select your favorite values. (A smaller version of this list was offered in my first book. [Appelo, *Management 3.0* loc:2256]) You can randomize the words and pick your favorites from a pile, or you can apply dot voting where several people make a mark on their preferred values in order to narrow the list down to three or five words. Whatever approach you use, discussing core and wish values is a great management workout exercise.

Acceptance
Accessibility
Accomplishment
Accountability
Accuracy
Achievement
Activeness
Adaptability
Adventure
Aesthetics
Agility
Alertness
Ambition
Appreciation
Approachability
Assertiveness
Attentiveness
Availability

Awareness
Balance
Beauty
Benevolence
Boldness
Bravery
Brilliance
Calmness
Camaraderie
Candor
Capability
Carefulness
Caution
Change
Charity
Cheerfulness
Clarity
Cleanliness

Cleverness
Collaboration
Commitment
Compassion
Competence
Concentration
Confidence
Conformity
Consistency
Contentment
Cooperation
Courage
Courtesy
Craftiness
Creativity
Credibility
Cunning
Curiosity

Daring
Decisiveness
Dedication
Dependability
Determination
Devotion
Dignity
Diligence
Directness
Discipline
Discovery
Discretion
Diversity
Drive
Duty
Dynamism
Eagerness
Education
Effectiveness
Efficiency
Elegance
Empathy
Encouragement
Endurance
Energy
Enjoyment
Entertainment
Enthusiasm
Equality
Excellence
Excitement

Experience
Expertise
Exploration
Expressiveness
Extroversion
Exuberance
Fairness
Faith
Faithfulness
Family
Fearlessness
Ferocity
Fidelity
Fierceness
Fitness
Flexibility
Fluency
Focus
Frankness
Freedom
Friendliness
Friendship
Fun
Generosity
Gratitude
Growth
Happiness
Harmony
Health
Helpfulness
Heroism

Honesty
Honor
Hopefulness
Hospitality
Humility
Humor
Imagination
Impartiality
Independence
Ingenuity
Initiative
Innovation
Inquisitiveness
Insightfulness
Inspiration
Integrity
Intelligence
Introversion
Intuitiveness
Inventiveness
Joy
Justice
Kindness
Knowledge
Leadership
Learning
Liberty
Logic
Love
Loyalty
Mastery

Cultural backgrounds have an impact
on the choices people make
when picking their values.

Maturity
Meticulousness
Mindfulness
Modesty
Motivation
Neatness
Open-mindedness
Openness
Optimism
Order
Orderliness
Organization
Originality
Outlandishness
Outrageousness
Passion
Patience
Peace
Perceptiveness
Perfection
Perseverance
Persistence
Persuasiveness
Philanthropy
Playfulness
Pleasure

Power
Pragmatism
Precision
Preparedness
Privacy
Proactivity
Professionalism
Prudence
Punctuality
Purposefulness
Rationality
Realism
Reason
Reflection
Regularity
Reliability
Resilience
Resolution
Resolve
Resourcefulness
Respect
Responsibility
Responsiveness
Restraint
Rigor
Sacrifice

Security
Self-control
Self-discipline
Self-reliance
Sensitivity
Serenity
Service
Sharing
Silliness
Simplicity
Sincerity
Skill
Solidarity
Speed
Spirituality
Spontaneity
Stability
Status
Stealth
Stewardship
Strength
Success
Support
Sympathy
Synergy
Teamwork

Thankfulness
Thoroughness
Thoughtfulness
Thrift
Timeliness
Tolerance
Tranquility
Transcendence
Trust
Trustworthiness
Truth
Understanding
Uniqueness
Unity
Valor
Variety
Vigor
Vision
Vitality
Warmth
Willfulness
Wisdom
Wittiness
Wonder
Zeal

Human values and virtues are interesting topics, not in the least because they are so heavily influenced by culture. This is wonderfully illustrated by social psychologist Geert Hofstede and his cultural dimensions theory. [Hofstede, *Cultures and Organizations*] For example, Hofstede's *power distance index* shows that in Latin, Asian, and African countries, there is a tendency to defer to authority figures, while in Anglo and Germanic countries this power distance is much lower. His *individualism index* shows a clear gap between the improve-yourself attitude in Western countries and the stay-with-the-group mentality in Eastern countries. Equally interesting are the *uncertainty avoidance* scores, which are high in Southern and Eastern Europe, and low for the North-West of the continent.

People also reported to me that significant cultural differences can exist between generations within the same region. For example, in Eastern European countries, the older generations, who have experience with socialism and communism, are more inclined to expect that the state and government be there to help everyone, while the younger generations learn that, basically, their future is their own responsibility. Obviously, such cultural backgrounds have an impact on the choices people make when picking their values.

Team Values

So far, I have discussed core values and wish values from both personal and organizational perspectives. But, like the formation of identity and purpose, the selection of values could also be considered and performed at every organizational level. What about the values of a team? What about the values of the department or the business unit? Clarifying your own values is important, but equally important is understanding the values of others. [Kouzes and Posner, *Leadership Challenge* loc:1207]

The behavior of a team depends on the personalities of the team members, their relationships, and their environment. An important change in their relationships or the environment can lead to a different set of desired behaviors for the team and can, therefore, be a reason to reconsider the team's wish values. The team's core values will probably not change just because of a new environment, but a change in team membership can definitely impact the team's core values.

Using the Big Values List, a team may discuss two or three core values (this is who we are) and wish values (this is what we want to be). A useful workout exercise, offered in my first book, is to have management do the same thing and then compare and discuss the results. [Appelo, *Management 3.0* loc:2241] The same approach was applied at Atlassian, a tool vendor company, which resulted in such fascinating company values as "Open company, no bullsh.t" and "Don't f..k the customer". [Rick, "Value Statements"]

Once the values are selected, people can print them on walls, task boards, t-shirts, screensavers, coffee mugs, etc.





What about
values
at other levels?

The selection of values can happen at any organizational level. If that happens (and I certainly suggest that you give it a try), you could end up with a lot of value lists. Isn't that confusing?

Maybe.

But it's not any more confusing than knowing that different organizational levels have different bosses, conflicting policies, multiple identities, and numerous faces. Human beings are masters at reconciling such differences. And if some multi-layered value lists are indeed too confusing, I see no reason why people cannot simply sit together and simplify the results. In most organizations, the problem is too little guidance in regards to values, never too much. Remember that the goal is for people to create and respect value and achieve happiness. The goal is not to fight over 250 simple words.

Employee Handbooks

In a land far, far away, and in a time long, long past, I was a senior student at the Technical University in Delft, The Netherlands, employed by the Faculty of Computer Science as a Student Assistant. I was one of the people paid to evaluate the programming assignments of first-year students which meant I could tell them that the word *end* had to be properly aligned under *begin* and that the purpose of indentation was to make code readable, not to balance the white space equally in both margins.

One of the things I did, from the bottom of my big compassionate heart, was to create a Freshmen's Guide. It was a simple little book, explaining where to find exams and grades, where to find the student's society, where to go with study problems, and where to find the better parties. I added plenty of handmade illustrations and silly jokes because I wanted the students to find it an interesting read. I am happy to say that my booklet was not only supported by the student's society and paid for by the faculty but the idea was also copied by some of the most famous companies in the world many years later. (Just kidding!)

IDEO is arguably the most famous design company in the United States, and for good reason. Its Little Book of IDEO spells out the important values of the organization, such as "be optimistic", "embrace ambiguity", and "learn from failure". One statement I like in particular is "make others successful", which means that employees should always strive to help each other out. Unlike my own Freshmen's Guide, IDEO's little book can be downloaded from the Web. [Amabile, Fisher and Pillemer, "IDEO's Culture"; Brown, "Little Book of IDEO"]

Embrace
Ambiguity

Valve, a highly successful gaming company, has a Handbook for New Employees which was created by a small team of developers and designers. The handbook, which contains great illustrations—yes, better than mine—and nice jokes and stories, was published first as a print edition and later made available as a downloadable PDF. The document not only inspired many companies in the world as a shining example of a flat organizational structure but it also showed that employee handbooks don't have to be boring and can be created by employees. [Coomer, "The Best Employee Handbook"; Valve, "Handbook"]

Another example is offered by online retailer Zappos, a company with an official Culture Book which is also written by its employees and updated every year. The book tells stories of how people feel about the company, and the employees take care that the company's culture is developed and reinforced all the time. Like the Valve Handbook, Zappos's Culture Book is freely available for download. [Heathfield, "Zappos Reinforces Its Company Culture"; Zappos, "Culture Book"]

In one organization, we asked three managers what the mission was and what was the most important organizational goal [...] We were told that the values were "in the employee handbook," but those values were disconnected from how people acted or how people were incentivized.

Robin and Burchell, *No Excuses* loc:1120

Obviously, such handbooks and culture books only work when employees actually use them and know what they say. All too often, employee handbooks are created by human resources departments, not by employees themselves, and are devoid of any emotion. Values are offered as bullet points and accompanied by rules, policies, and legal disclaimers. It's no wonder that, with such handbooks buried deep down in file systems, employees usually have no affinity with any core or wish values of the company. The real culture communicated in cases like these is "culture is defined by managers" and "we're not supposed to have fun".

Perhaps the most famous example of a great culture book that actually worked is the Netflix Culture document, which says that it all starts with *freedom & responsibility* at this company. At Netflix, they actually practice what they preach because the company offers total freedom with regard to vacations, flex-time, and travel expenses (see chapter "Feedback Wrap"). [Baer, "Netflix's Major HR Innovation"; Netflix, "Netflix Culture"] Some say, as an example of how a company can create and reinforce a culture with values, it is the most important document ever to have come out of Silicon Valley. [McCord, "How Netflix Reinvented HR"]

Living Your Values

Enron, which went bankrupt because of fraud by its top management, had the values *integrity, communication, respect, and excellence* displayed in its corporate lobby. Apparently, only showing words to everyone is not enough. After you have determined what your values are as a team or as an organization, it's time to put your money where your mouth is. Turn your values into action! Create your own story!

Are you aiming for *honesty, excellence, and service*? Get the team in a car, drive to a client where something went wrong with your product, and sing a song about how sorry you are while handing over a big bouquet of flowers. Should your work be focused on *creativity, discipline, and orderliness*? Get your team to make a perfectly executed work of art out of sticky notes, carefully measured out and modeled on the computer. The key is not only to *promise* to keep these values in mind but to actually *do something* to prove that these values matter and guide people's behaviors and decisions.

At the end of the day, you just ask yourself, "How did our vision and values influence decisions I made today?" If they did not, then they are pretty much BS.

Senge, *The Fifth Discipline* loc:6345

The culture should drive the business at your organization, not the other way around. [Lucas, "Culture Comes First"] Proper values, visualized and communicated with stories, help you define and reinforce that culture.



Videos and books

“After formulating our vision for Future Processing, we decided to present it to our teams in a three-minute animated video. The video presented our goals in the form of a story. We even hired one of the most popular Polish TV presenters to do the voice over. The effect was that people watched and shared the video much more willingly than they would with the best written corporate document in the world.

What we also did was to make a Christmas present from the teams for our CEO. We gathered some of the best stories in the company and published them as a book. Not only did our efforts result in a nice gift; now we also have an amazing source of funny and inspiring stories about our company that explains our culture and spirit. We share these with new employees and we also plan to print them for display in our new office building.”

Agnieszka Zimończyk, Poland

What Now?

Does your team have its own team values? Do you have a culture book? If not, maybe you can do this:

1. Collect stories of past behaviors that you feel exemplify and illustrate the culture of your team or organization. (You can combine this with the search for stories to create an exposition, see chapter “Work Expo”.)
2. Print the big list of team values, one copy per person, and let each team member pick core values and wish values, based on the stories you’ve collected.
3. Ask management to do the same, and compare the results. Choose a final set that everyone can agree on, both employees and management.
4. Make the values easy to refer to, by keeping them visible around the office. But also find a way to retell the stories around them.
5. Consider turning your values and stories into a culture book that is (preferably) maintained by employees, not by the HR department.



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