IMPROVING ORGANIZATIONAL CULTURE USING CORE VALUES

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Abstract

This paper describes a structured approach and participatory design methodology for defining and using core values as an agent of positive organizational change. The authors discuss ways in which progress in adherence to stated core values can be measured and utilized for continuous improvement, positive climate, and job satisfaction. The results of applying this approach in an academic case environment are presented.

Keywords:

Human resource management, core values, organizational culture

1 INTRODUCTION

No organization can achieve its true potential unless employees feel supported, valued, and comfortable in the workplace. To achieve these goals, people in organizations should collectively define the core values that will guide decisions and interactions with one another, and with other stakeholders, on a daily basis. This is a difficult but important task. In many cases, the actual values in an organization are often tacit and evolve into the collective organizational culture. Core values, however, can be defined, assessed, and managed more systematically and explicitly, perhaps with great benefits. The purpose of this paper is to describe a structured approach and participatory design methodology to define and use core values, which can serve as an agent of positive organizational change. The authors discuss the process of defining core values and discuss ways in which progress in adhering to stated core values can be measured using a survey instrument. The results of applying this approach in an academic case environment at Virginia Tech reveal that very positive organizational benefits are possible when core values are formally defined, measured, and used collectively. This approach can provide less threatening ways to address difficult situations and cause positive change in many types of organizations.

The core values of an organization are the foundation of organizational culture. Even so, they can be difficult to define, assess and manage. Core values are not the same thing, for example, as an organizational vision or mission. As Lipton [1] points out, one of the purposes of a vision is to "help employees understand what an organization stands for and what is expected of them." He goes on to discuss how a vision cannot be all things to all people. Individuals must decide, perhaps after the vision is articulated, whether they can participate in the vision without sacrificing personal goals. Core values are also not the same as core competencies or ideologies. In their popular book, *Built to Last*, Collins and Porras [2] discuss core ideologies as the driving force behind many successful companies because they focus employees on the ideological commitment that define the company's 'niche'. Core values are, in fact, those shared beliefs that guide decisions and behaviors as people conduct day-to-day work and interact with each other. They are a reflection of the culture of the organization and should drive the climate. They are perhaps more operational in nature than a vision, and they are more behavioral than procedural. The core ideologies discussed by Collins and Porras [2] define how a company will compete. The core values as used in this paper communicate how people interact with one another and make decisions as they strive and work toward the strategic vision.

This paper discusses the journey from conceptualization and definition of the core values of an organization, through assessment and measurement of adherence to core values, and finally to the execution of appropriate actions to continuously improve relative to core values.

2 RELATED RESEARCH

Recent studies increasingly make the point that the issues of respect and departmental climate are among the most important for faculty members. Increasingly, departmental climate is critical for recruiting and retaining bright and achievement oriented faculty members. With respect to faculty members who are early in their careers, Fogg [3] provides one example of such research and states that "the size of junior professor's paychecks is not nearly as important as how well they get along with their colleagues." Similarly, Percy et al. [4] discuss the campus climate as it relates to minority recruiting and retention and reach more or less the same conclusions with respect to the importance of climate. At Virginia Tech, a survey completed by AdvanceVT [5], a program funded by the U.S. National Science Foundation to increase the participation and advancement of women in academic science and engineering careers, clearly demonstrates the relationship between satisfaction with department-level culture and overall job satisfaction for faculty members and reinforces the importance of proactively managing departmental culture.

At the heart of much literature is the concept of participatory decision making, especially in areas deemed critical to the department in terms of resource allocation or climate (See Schuler and Namioka [6]). Edgeman [7] emphases the primacy of leadership, but points out that leadership is "too big to be stayed in the hands of a select few." He points out that leadership must be systemic and that core value deployment must be global instead of local.

In spite of the fact that participatory decision making is deemed critical by many, the literature is not rich with examples of applications of participation in terms of core value development and use. Much of the existing literature on the topic of core values focuses more on traits of the 'leader' or 'executive' in the organization than on the collective values of the organization as a whole. Edgeman [7] describes the leader's core values as including:

- mutual respect;

- trustworthiness;
- tolerance;
- curiosity, and;
- courage.

In another paper, Edgeman and Scherer [8] discuss the importance of the leader's core values in terms of courage, wisdom, sacrifice, stewardship and servanthood. These authors also note that while competencies are well-understood and often deployed, core values are often not deployed. A key output of the Edgeman and Scherer [8] paper is a partial listing of fundamental principles or values deemed critical:

- continuous improvement;
- commitment to creativity;
- customer focus;
- continuing learning;
- focus on facts, and;
- empowerment and participation of all staff.

Finally, Edgeman and Scherer [8] suggest that core values are "rivets in human history, having played pre-eminently in the rise and fall of corporations, economies, and nations," but that core values that are not measured are generally are not used.

The research reviewed briefly here supports the premise that high performing organizations tend to have core values that are well-defined, consistent with actual decisions or actions, integrated into the fabric of the organization, and used to manage the organizational climate or culture in an effort to ensure that 'espoused' values are fully aligned with actual behaviors.

3 BEGINNING STEPS: DEFINING CORE VALUES

The process of defining core values in the Grado Department of Industrial and Systems Engineering (ISE) at Virginia Tech began in 2002. At that time, there was dissatisfaction with existing departmental culture and interpersonal interactions. The symptoms were lack of trust among faculty members and a perceived sub-optimization with respect to several key areas. An ad-hoc core values committee, consisting of tenured faculty members, research faculty members, and staff members was chartered and began working to define the core values to which the ISE department would aspire to adhere.

The ad-hoc committee, in practicing what they hoped to achieve, accepted regular feedback from faculty and staff members in the department. The committee also considered universal core values and concepts from the Criteria for Performance Excellence framework in the guidelines for the Malcolm Baldrige National Quality Program [9]:

- leadership;
- strategic planning;
- customer and market focus;
- measurement, analysis, and knowledge management;
- human resource focus;
- process management, and;
- business results.

The combination of these criteria, the departmental vision and goals, and systematic input and feedback from the departmental stakeholders led to the development of a unique set of core values to which the members of the ISE faculty and staff agreed upon. Each core value was also defined further in terms of what each meant to our department:

- Focus on Quality: We value quality in all aspects of our operations, from scholarship to teaching, from research to service, from student performance to support staff functions. We focus our attention to ensure the highest quality of our work from the beginning. We recognize and reward quality in all aspects of our operation, as well as not reward the lack of quality. We strive to uphold the highest ethical standards in whatever tasks we perform.
- Visionary Leadership: We value leadership that is proactive and open to ideas for improving all aspects of what we do. Our leaders communicate and inspire a clear and compelling vision for the future. Our leaders create an environment that inspires and enables everyone to contribute to the vision, be innovative, and achieve things not thought to be possible or practical.
- Open Communication and Participative Decision-Making: We value open communication and participative decision-making by the faculty, staff and students of our department. We recognize that everyone has a point of view and should have the opportunity to voice opinions and ideas. We provide varied mechanisms for people to participate in decisions that affect them when at all possible. All ideas and suggestions offered are valued and considered for improving the department.
- Systems Perspective: We consistently consider what is best for the department as a whole rather than focus areas, labs/centers, or individuals when making decisions and conducting our day-to-day work. The differentiations we use to describe what we do to the outside world are not used as barriers to effectively working together.
- Collegiality: We value collegial working relationships, where colleagues feel comfortable asking for professional support, knowing that there exists mutual respect, a respect for a diversity of ideas, a recognition that ethics will not be compromised, and trust between colleagues. We encourage positive formal and informal mentoring relationships amongst colleagues.
- Congeniality: We value congenial relationships within our organization, where interactions between faculty, staff, and students are friendly and empathetic to the highest degree possible. We encourage social functions that build and support congenial relationships.
- Service-Oriented: We value our role as an organization that provides service to students, sponsors, the uni8versity, the community, the state, and the profession. We apply our expertise for the benefit of others.
- Lifelong Learning: We encourage and promote lifelong learning by enabling our faculty and staff to pursue educational interests and desires. We educate and inform our students, faculty and staff of educational/learning events and options that are available to them. We strive to incorporate the latest educational research and techniques to make the educational experience one which will inspire students to continue their learning after they leave the university.

This list of eight core values was refined and condensed from a much longer list of 'candidate' core values recommended by the ad-hoc committee, the faculty at large during departmental retreats, and various sub-groups of employees. The resulting list was obtained by consensus. It should be noted that the list reflects the needs and desires of the department, but that this set of core values would not necessarily be universally

applicable. Each organization should consider its own situation and develop a set of core values that address its unique concerns and needs, according to their own environment, and in their own time and place. Even within a single dynamic organization, the critical core values will likely change over time and should be revisited periodically.

4 DEPLOYMENT

A leadership change in the ISE department in 2004 provided a convenient opportunity to reevaluate progress with respect to core values and to decide how they would be utilized to improve departmental culture, both operationally and strategically. A key factor in the success of the core values at that time was the immediate buy-in of the new leadership. An assessment instrument in the form of a survey was developed and used to measure perceptions about core values. The preamble to the survey describes its purpose, provides instructions regarding how to complete and return the survey, and describes steps taken to ensure anonymity of responses. It then asks participants to rate our departmental performance relative to our collective adherence to each core value on a scale ranging from 1 (never) to 7 (always). Although each core value has several related components in its definition, departmental members were asked to rate adherence to the core value overall and not each component. This trade-off of more specific data with a potentially more reliable instrument was made in the interest of time and simplicity. However, respondents were able to provide further information to elaborate on their ratings via additional space provided. The survey ends with two summary questions about perceptions of overall satisfaction the set of core values (i.e., their relevance to our goals), and overall adherence to them. Optional information regarding rank and position is requested, so any trends in overall satisfaction with the climate can be assessed relative to faculty rank and position. The preamble to the Spring 2006 survey and the request for information for the first core value (focus on quality) appears in Figure 1. The summary questions appear in Figure 2.

5 ANALYSIS OF RESULTS

The survey was first deployed in November 2004, with 58% of all departmental staff participating, including 75% of teaching faculty, 38% of research and adjunct faculty, and 43% of staff. The survey was repeated in January 2006, with 70% overall participation including 72% of teaching faculty, 71% of research faculty, and 65% of staff. The increased participation among research faculty and staff is particularly noteworthy.

The results were tabulated and presented to the stakeholders. This stakeholder group includes all ISE employees, students, the Dean of Engineering, the Provost of the University, and the ISE external Advisory Board. We used standard box lots of the type presented in Figure 3 below. The box plots show the median (bold line), the quartiles (edges of the box and trailing lines), and outliers (o's). The box plot depicted in Figure 3 compares the results of the 2004 survey (November 2004) with the 2005 survey (January 2006). Perceptions of adherence to core values appeared to improve from the first to the second administration of the survey for many of the core values, with statistically significant differences observed in three areas. Similar results portrayals are provided to the ISE community to show satisfaction by rank within the professorial group, to compare and contrast faculty and staff results, etc. Further qualitative comments are analyzed using content analysis, where individual comments are clustered into themes for each core value, with the frequency of the theme noted based on the number of related comments.

ISE DEPARTMENT CORE VALUES SURVEY

SPRING 2006

Purpose:
The purpose of this survey is to understand ISE faculty and staff perceptions of our core values. This survey will be used to help us understand our culture. Results are ***completely anonymous*** *and only aggregate results will be presented.* ***Please do not put your name on your survey.***

How to return it:
Please complete and return the survey by ***Monday, January 23*** *to the envelope labeled "ISE Core Values Survey" in the main office copy room. You can* ***either****: 1) complete this hardcopy survey by hand; 2) complete using the electronic file sent by email and print your responses; or 3) complete using the electronic file and email back to CV Survey Results@vt.edu.*

How to complete it:

1. *Please first* ***review the definition*** *for each core value before rating it.*
2. ***For each of Questions 1-8, please rate the extent to which you believe decisions and actions of ISE faculty/staff are consistent with our core values.***

a. *For the purpose of this survey, please* ***rate each core value overall*** *and* ***do not*** *rate each component of its definition.*
b. *In considering your rating, keep in mind the* ***decisions and actions of faculty/staff overall*** *and not just one or a few individuals.*
c. *To indicate your rating, please place an "X" in the box that best represents your opinion from "never" to "always,"* ***OR*** *double click on the box and mark it as "checked" if you are filling this out electronically.*

3. ***Please provide any comments*** *in the space provided after each core value (e.g., examples or any other related issues).*
4. *Please complete Question 9 (on your overall perceptions) and Question 10 (on your position type).*

1. ***Focus on quality***
We value quality in all aspects of our operations, from scholarship to teaching, from research to service, from student performance to support staff functions. We will focus our attention to ensure the highest quality of our work from the beginning. We will recognize and reward quality in all aspects of our operation, as well as not reward the lack of quality. As part of this endeavor to enhance quality, we will strive to uphold the highest ethical standards in whatever tasks we perform.

☐ ☐ ☐ ☐ ☐ ☐ ☐

NEVER ***ALWAYS***

Comments: _____

Figure 1: Core Values Survey Instrument

ISE DEPARTMENT CORE VALUES SURVEY

SPRING 2006

Please answer the following questions related to your ***overall perception*** *of the department's culture and Core Values. Please place an "X" in the box that best represents your opinion from 1= "very dissatisfied" to 6= "very satisfied";* ***OR*** *double click on the box and mark it as "checked" if you are filling this out electronically.*

a. *Overall, how satisfied are you that the Core Values are* ***relevant and important*** *to the goals of the ISE Department?*

☐ ☐ ☐ ☐ ☐ ☐

Very Satisfied — *Very Dissatisfied*

b. *Overall, how satisfied are you that the decisions and actions of members of the ISE Department* ***are consistent with*** *the Core Values?*

☐ ☐ ☐ ☐ ☐ ☐

Very Satisfied — *Very Dissatisfied*

Please provide the following information – this will help us to understand the data. ***It will not be used to try to identify any individuals****.*

☐ *Faculty. If you checked faculty, please select one of the following:*

- ☐ *Assistant Professor*
- ☐ *Associate Professor*
- ☐ *Full Professor*
- ☐ *Adjunct Faculty*
- ☐ *Research Faculty*
- ☐ *Staff*

Thank you for your response!

Figure 2: Core Values Survey Summary Questions

This information is shared with all ISE stakeholders to ensure that we hold ourselves accountable across the board for our adherence and improvement goals with respect to core values.

6 ACTIONS

Before the survey was initially deployed and results interpreted, we held discussions regarding how to move forward. It was determined at that time that the worst possible outcome would be if adherence to core values were measured and analyzed and then not used to seek positive change. Figure 3 reveals that two areas rated relatively lower in the first administration of the survey was our commitment to open communications and participative decision making (OpCmnDec in Figure 3) and our ability to take a systems perspective (SysPers in Figure 3). Based on this feedback, our first year improvements were aimed at these two areas for improvement. With respect to open communications and participative decision making, the qualitative remarks provided on the survey revealed several communications deficiencies that exacerbated this problem. Key among these was the way that teaching assignments had been made centrally with little or no input from the faculty or their functional research/teaching groups (called 'options' within ISE). The process used for making teaching assignments was altered to increase participation and to increase communication relative to this process. Specifically, the departmental administration began the process by asking the four functional options within the department what courses they would like to offer in the next planning period. Within option meetings to discuss this topic, individual faculty members had a strong voice in making these decisions. Departmental administration then made a first pass at staffing decisions for the various required and elective courses to be offered and returned this plan to the options for comment. In many cases, alterations to teaching assignments could be made based on the feedback from the options or even individual professors. This and other changes resulted in a statistically significant improvement with respect to satisfaction with our collective adherence to the open communication and participative decision-making core value the second time the survey was administered.

Similarly, we addressed problems associated with our lowest performing core value, the maintenance of a systems perspective. The issue emerging most strongly as a theme from qualitative analysis related to the perceived restrictive nature of our options from the viewpoint of graduate education. For many years, option requirements for our Master of Science (MS) degree had been so restrictive that students had a hard time building inter-option teams, even within the ISE department, to do truly innovative work across the full breadth of the industrial engineering discipline. Again for many years, a proposal had been considered to have an 'optionless' MS degree with few required courses. This optionless degree would enable the development of truly interdisciplinary degrees within ISE and even among other departments while putting greater power into the hands of student committees to develop innovative, tailored curricula for individual students. This proposal had never passed an ISE faculty vote, however, perhaps because we had never realized how much the lack of such a program harmed our perceptions of satisfaction within the department culture. The initial results from the core values survey pointed out this deficiency in our program and provided a rational basis for our consideration of a change. Other concrete examples of our option structure contributing to sub-optimization were also discussed at length. Following discussion of our core values survey during a faculty retreat in December 2004, the faculty unanimously supported the development of a 'no-option' or 'general' MS degree in ISE with only 3 required courses. Once again, the improvement in perceptions with respect to this core value is dramatic in the second year of measuring our core values with our survey instrument (See Figure 3).

We did, of course, undertake several initiatives to achieve these results, but the examples presented in this section were very important steps toward greater adherence to our core values. Following the January 2006 survey, we have shifted our focus to other core values. Specifically, we seek to improve our collegiality and congeniality while holding ourselves accountable to core values more visibly and frequently. We are also seeking to more fully integrate our research faculty members into departmental decision making. In addition, we are trying to provide greater opportunities for social interactions, and we have put into place practices to further include staff members in decision making processes.

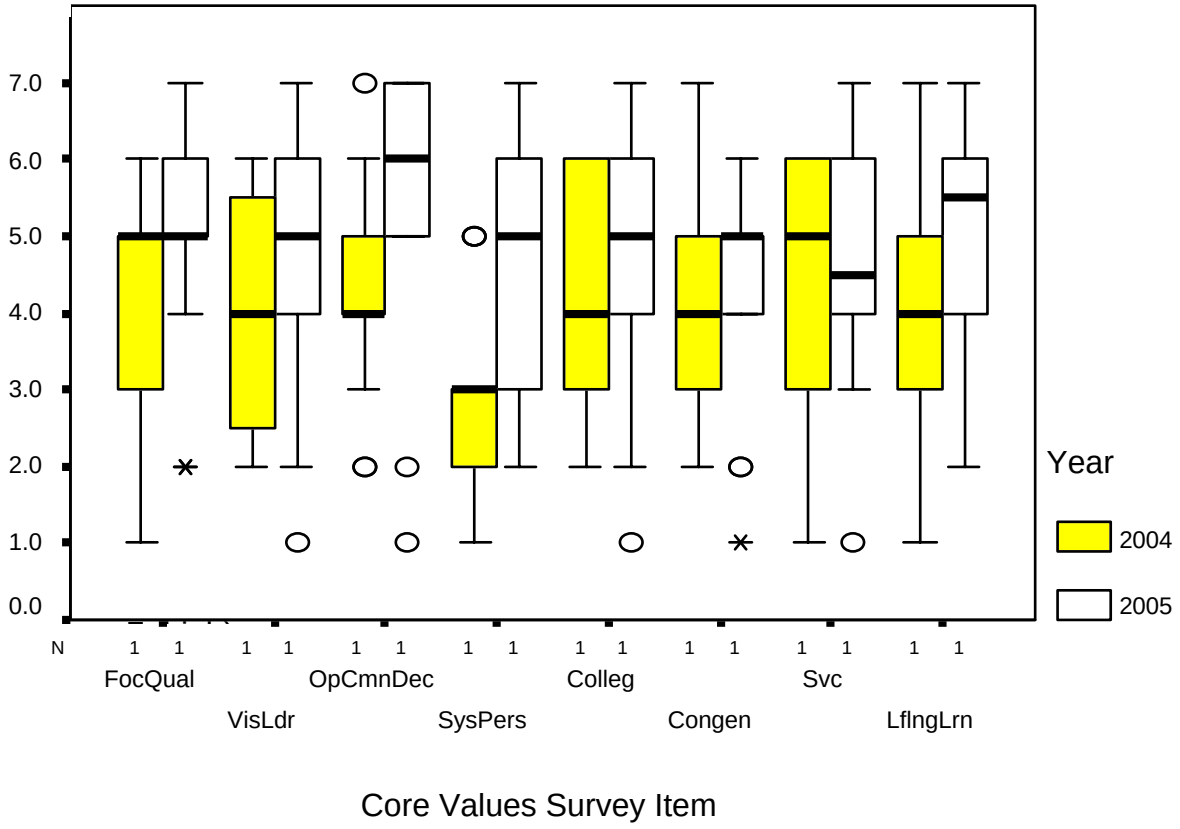

Figure 3: Core Values Assessment Results from Two Years

7 CONCLUSIONS

The process of defining, measuring, and improving core values can be an excellent vehicle for improving organizational culture. In the ISE department at Virginia Tech, we believe that this process has been one of the most positive initiatives we have undertaken thus far.

Although the advantages of utilizing core values to drive cultural change are many, perhaps the following are most significant:

- The process defines a shared set of beliefs and commitments to the way we want to behave and treat each other;
- The process guides decisions and emphasizes what's important to us as we change and improve the department;
- Core values provide a common language to address unacceptable behaviors in a less threatening way;
- The process of defining, measuring and discussing core values engage faculty and staff in talking about what we want and how we can improve;
- The survey provides a way to quantify perceptions (ratings), understand context and experiences (comments), and understand which core values appear to most influence overall core values satisfaction;
- The process enables us to track progress, both formally and informally.

As a final comment, it should be noted that this process can be beneficial no matter what the starting point may be. That is, any culture can be improved for the better regardless of how poor or outstanding it may be when the process is initiated as long as a participatory methodology is used. At Virginia Tech, this process has gained attention at the highest levels. The ISE department is often asked to discuss the core values initiative at leadership seminars across campus. Although the core values for one organization may or may not fit in another organization, the process of defining, measuring, and using core values as an instrument for seeking positive change in an organization are likely universal.

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