



## Values-Based Leadership

Why is it important for the future of your organization?

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### What is Values-Based Leadership?

When a situation arises that we have to deal with, there are three different ways we can arrive at a decision on what to do: we can use our beliefs to formulate a response, we can use our values to formulate a response, or we can use our intuition to formulate a response.

Let us first compare beliefs and values as decision-making instruments.

If we use our beliefs to make decisions, our decisions will reflect our past history in dealing with similar situations. Our past history is always experience-based and context-based. Our beliefs are not equipped to handle complex new situations that we have not experienced before. Beliefs are steeped in our past personal history, habits, and traditions. They are constrained by the past and not as adaptable to new situations.

If we use our values to make decisions, our decisions will align with the future we want to experience. Values transcend both contexts and experiences. Therefore, they can be used for making tough decisions in complex situations that we have not experienced before. When we use values in decision-making, we are consciously creating the future we want to experience. Values are not constrained by the past and are adaptable to new situations.

Since the world we live in, particularly the business world, is becoming increasingly complex, chaotic, and unpredictable, values provide a more flexible mode of decision-making than beliefs.

Values are the anchors we use to make decisions so we can weather a storm. They keep us aligned with our authentic self. They keep us true to ourselves and the future we want to experience.

Values are becoming the preferred mode of decision-making in business. It is not surprising therefore to find ample research showing that adaptable<sup>i</sup> and values-driven<sup>ii</sup> companies are the most successful organizations on the planet. When organizations unite around a shared set of values, they become more flexible, less hierarchical, less bureaucratic, and they develop an enhanced capacity for collective action. When employees not only share the same values, but also share the same vision, the performance of a company is



significantly enhanced. Shared values build trust, and trust is the glue that enhances performance. The same is true for nations.<sup>iii</sup>

Therefore, the answer to the question “What is values-based leadership?” is “Values-based leadership is a way of making authentic decisions that builds the trust and commitment of employees and customers.”

## What are the Values that Values-based Leaders Display?

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We can best describe the values that values-based leaders display by reference to the Seven Levels of Leadership Model. The model is based on the work of Maslow and is fully described in *Liberating the Corporate Soul*.<sup>iv</sup> Each level of leadership corresponds to a level of consciousness that together address all the individual and collective human needs.

**Level 1** deals with issues regarding survival and safety. This is the level of the Crisis Director/Accountant. The values we see leaders displaying at this level of consciousness are profit, financial stability, self-discipline and employee safety.

**Level 2** addresses issues regarding relationships and communication. This is the level of the Relationship Manager/Communicator. The values leaders exhibit are conflict resolution, employee recognition, customer satisfaction and open communication.

**Level 3** speaks to issues regarding performance and best practice. This is the level of the Manager/Organizer. Typical values at this level of consciousness are results orientation, efficiency, productivity and quality.

**Level 4** deals with issues regarding adaptability and employee participation in decision-making. This is the level of the Facilitator/Influencer. The values we see leaders displaying at this level of consciousness are courage, innovation, teamwork, and accountability.

**Level 5** involves shared values and shared vision. This is the level of the Integrator/Inspirer. The values displayed at this level of consciousness are enthusiasm, fairness, trust and integrity.

**Level 6** addresses issues regarding community involvement and strategic alliances. This is the level of the Mentor/Partner. The values shown at this level of consciousness are environmental stewardship, customer collaboration, employee fulfillment and mentoring.



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**Level 7** deals with issues regarding ethics and social responsibility. This is the level of the Wisdom/Visionary. The values we see leaders displaying at this level of compassion, forgiveness, humility, and ease with uncertainty.

Full-spectrum leaders display positive values at all seven levels of consciousness.

The shift from values-based decision-making to intuition-based decision-making occurs when leaders have mastered each level of consciousness and are able to respond appropriately and instantaneously to any situation that could arise.

### THE AUTHOR

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Barrett works with CEOs and senior executives in North and South America, Europe, Australia, and Asia to develop vision-guided, values-driven organizational cultures that strengthen financial performance, build cultural capital, and support sustainable development.

He is the creator of the internationally recognized Cultural Transformation Tools (CTT), which have been used to support more than 1000 organizations in 42 countries in their transformational journeys.

Barrett is the author of *A Guide to Liberating Your Soul* (1995), *Liberating the Corporate Soul: Building a Visionary Organization* (1998), and *Building a Values-Driven Organization: A Whole System Approach to Cultural Transformation* (2006).

### REFERENCES

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<sup>i</sup> Kotter and Heskett, *Corporate Culture and Performance* (Free Press)

<sup>ii</sup> Collins and Porras, *Built to Last: Successful Habits of Visionary Companies* (Harper Business Essentials)

<sup>iii</sup> Francis Fukuyama, *Trust: The Social Virtues and The Creation of Prosperity* (Free Press)

<sup>iv</sup> Richard Barrett, *Liberating the Corporate Soul: Building a Visionary Organization* (Butterworth-Hienemann)