



# Whole System Change

The following is an extract from *The Values-Driven Organisation: Unleashing human potential for performance and profit*, published by Routledge, 2013.

**By Richard Barrett**

In order to build and maintain a values-driven organisation, you need to know how to initiate and drive change: Not *change as a project* but *change as an ongoing process*. You need to learn how to *manage the values* of your organisation in the same way you manage your company's accounts: By taking regular frequent measurements of key performance indicators and making adjustments based on the results. The main difference will be that the changes you make will be cultural changes rather than operational changes: Changes that increase employee engagement by reducing cultural entropy, and increasing values and mission alignment. Such changes almost always result in increased revenues.

## Measuring performance

There are three types of indicators you can use to measure performance:

- *Output indicators*: These measure factors that relate to the delivery of products and services—productivity, efficiency, quality, etc.
- *Outcome indicators*: These measure factors that relate to goals—income, sales, repeat business, new clients, market share, staff turnover, etc.
- *Causal indicators*: As the name suggests, these measure factors that impact the output and outcome indicators. The three main causal indicators are cultural entropy, values alignment and mission alignment—the factors that influence employee engagement.

Output and outcome indicators are tangible indicators: They can be easily measured and determined. Causal indicators are known as intangible indicators: They are not so easily measured or determined. The Cultural Transformation Tools<sup>1</sup> provide a way of measuring causal indicators. The tools have been designed to make the intangibles tangible and the invisible visible.

The ability to measure the intangibles is of significant importance, because when

you are able to measure causal indicators, you get to the root of the issues that are impacting your output and outcome indicators. In other words, causal indicators get you closer to the levers you need to adjust to improve your output and outcome indicators. Causal indicators primarily impact output indicators, which in turn impact outcome indicators as shown in Figure 1. For example, the level of values alignment and mission alignment improves productivity (income per employee), which in turn improves the financial results.

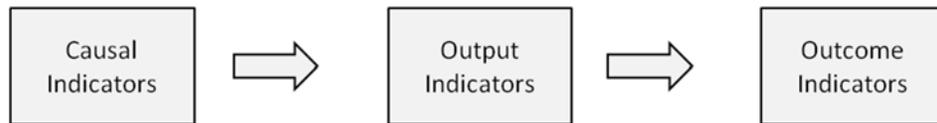


Figure 1: Relationship impact of indicators.

The three causal indicators—cultural entropy, values alignment and mission alignment—are themselves determined by three factors: The level of psychological development of the leader, the level of *personal entropy* of the current leaders, managers and supervisors, and the institutional legacy of the *personal entropy* of past leaders as experienced through the inherited systems, structures, processes, policies, procedures and incentives embedded in the organisational fabric. This deeper causal chain is shown in Figure 2. The shaded boxes represent the causal indicators that are measured by the Cultural Transformation Tools.

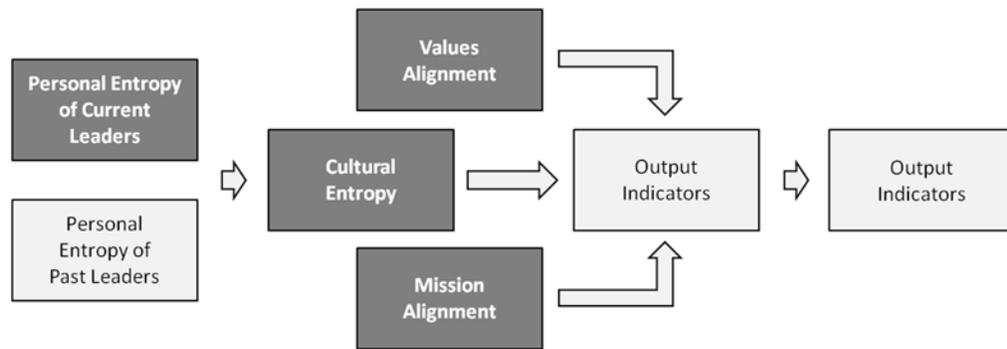


Figure 2: Causal chain of indicators.

The principal tools for measuring cultural entropy, and values alignment and mission alignment are the Cultural Values Assessment (CVA) and the Small Group Assessment (SGA) or Small Organisation Assessment (SOA). The principal tools for measuring the personal entropy of the current leaders, managers and supervisors are the Leadership Values Assessment (LVA) and the Leadership Development Report (LDR).<sup>ii</sup>

## Focusing on the whole system

Because all aspects of an organisation are interconnected (performance is influenced by culture, culture is influenced by values and behaviours, and behaviours are influenced by motivations, and to a certain degree by incentives), it is important in any change management or cultural change process to affect the whole system, not just part of it. I can best explain what is meant by whole system change<sup>1</sup> by referring to Figure 3.

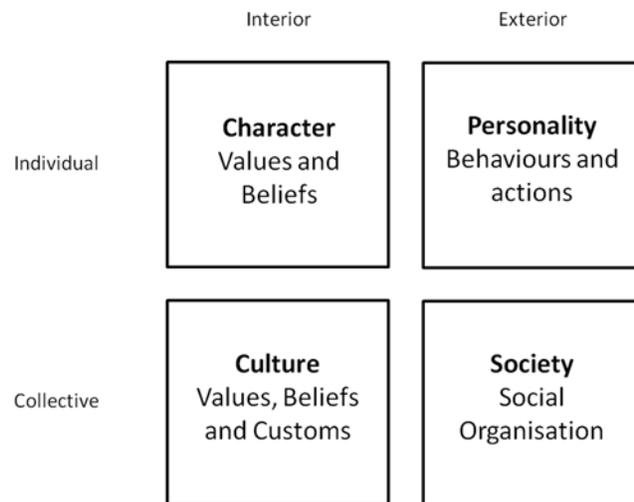


Figure 3: The four quadrants of human systems.

The four quadrants in this figure represent the four perspectives that can be taken of a human system such as an organisation, a community or a nation.<sup>2</sup>

The four perspectives are:

- *Character*: The perspective as viewed from inside an individual (personal values and beliefs—top-left quadrant).
- *Personality*: The perspective as viewed from outside an individual (personal actions and behaviours—top-right quadrant).
- *Culture*: The perspective as viewed from inside a collective (cultural values and beliefs—bottom-left quadrant).
- *Society*: The perspective as viewed from outside a collective (social structures, systems, processes, actions and behaviours—bottom-right quadrant).

The two left-hand quadrants represent the intangibles—the things that are difficult to measure. The two right-hand quadrants represent the tangibles—the things that are relatively easy to measure.

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<sup>1</sup> The concept of whole system change described in this book is based on the work of Ken Wilber.

<sup>2</sup> Ken Wilber, *A Brief History of Everything* (New York: Shambhala), 1996, p. 71.

If you take the iceberg as a metaphor: What lies above the waterline are the things you can see—the tangibles; what lies beneath the waterline are the things you cannot see—the intangibles. If you take the tree as a metaphor: What lies underground sustains the life of what is above the ground: The roots are invisible, and the trunk and branches, which depend on the health of the roots, are visible. What sustains and keeps humans healthy are their values and beliefs—the invisible. What are visible are their actions and behaviours.

In an organisational setting, the values, beliefs (top-left quadrant) and behaviours (top-right quadrant) of the leader and the leadership group (leaders, managers and supervisors) significantly influence the values and beliefs of the units, departments and teams that form part of the collective (the bottom-left quadrant) and the values and beliefs of the collective influence the behaviours of the collective (bottom-right quadrant). In other words, the culture of an organisation is a reflection of the values and beliefs (consciousness) of the leader(s).

To be even more precise, the culture of an organisation (the values and beliefs) is a reflection of the values and beliefs of the *present leaders* and the *institutionalized legacy* of the values and beliefs of past leaders as embedded in the structures, policies, procedures and incentives of the organisation—the visible or tangible aspects of the culture.

### Culture change

In order to successfully implement a change management or cultural change process four conditions must be met. These are shown in Figure 4.

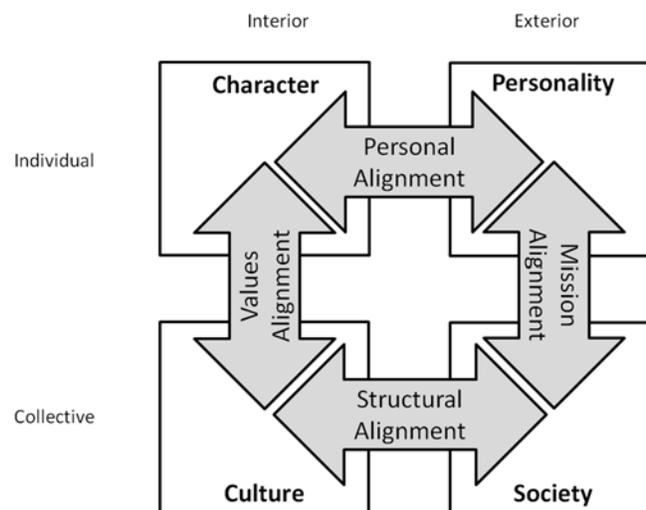


Figure 4: Four conditions for whole system change.

The four conditions are described below:

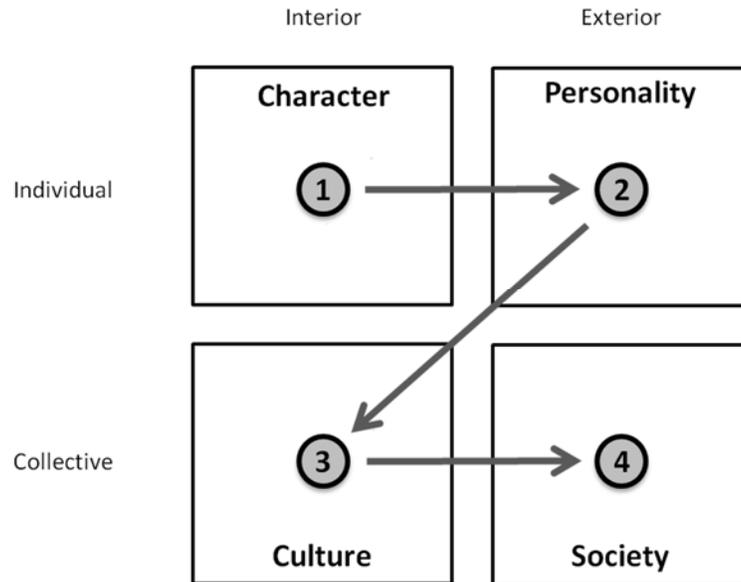
- *Personal alignment*: There must be an alignment between the values and beliefs of individuals and their words, actions and behaviours. This is particularly important for the leaders, managers and supervisors. The leaders, managers and supervisors must be authentic and walk their talk. If they say one thing and do another, there will be no trust in the organisation.
- *Structural alignment*: There must be an alignment between the stated values and beliefs of the organisation as expressed in the espoused values, vision and mission, and the behaviours of the organisation as reflected in the structures, policies, procedures and incentives of the organisation. In other words, the organisation, as a whole, must also walk the talk.
- *Values alignment*: There must be an alignment between the personal values of employees and the lived values of the organisation. Employees need to feel at home in the organisation so they can bring their whole selves to work. There must be no fear. There must be a sense of autonomy, equality, accountability, fairness, openness, transparency and trust.<sup>3</sup>
- *Mission alignment*: There must be an alignment between employees' sense of purpose or vocation and the role and duties they are asked to perform. The level of job complexity must also be in alignment with employees' level of personal development, and employees must feel that the organisation is on the right track.

### **The process of culture change**

Culture change in organisations requires a shift in the values and beliefs of the leaders, managers and supervisors (see Figure 5). When the values and beliefs of the leaders, managers and supervisors change (1), their actions and behaviours change (2). This, in turn, leads to a change in the values and beliefs of the culture of the organisation (3), which in turn leads to a change in the actions and behaviours of the organisation (4).

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<sup>3</sup> These seven values represent distinct stages in the development of democracy. For a full discussion of these values read Part Two of Richard Barrett, *Love, Fear and the Destiny of Nations: The Impact of the Evolution of Human Consciousness on World Affairs* (Bath: Fulfilling Books), pp. 195–285.



*Figure 5: The process of culture change in an organisation.*

What I am effectively saying is that the culture of an organisation is a reflection of the level of personal development (consciousness) of the leader(s). Similarly, the culture of a department is a reflection of the level of personal development (consciousness) of the director of the department, and the culture of a team is a reflection of the level of personal development (consciousness) of the team leader.

When the leader of an organisation with a strong, positive, high-performing culture retires or moves on, he or she is usually replaced by someone who is promoted from within the organisation. This is done in order to preserve the culture. Organisations that have weak, negative, low-performing cultures usually replace their leaders with someone from outside the organisation. The new leader comes with new values and beliefs and creates a new culture.

The extent to which the new leader is able to do this depends to a large extent on the strength of his or her character and personality, the commitment they have to the mission of the organisation, and the power of the vision they hold for the future of the organisation. If the new leader is weak in any of these areas, he or she may not have a discernible influence on the culture, especially if the institutional legacy of past leaders is deeply embedded in the organisation's systems, processes and incentives. Some new leaders of institutions do not have the energy or the courage to take on a whole system change process, especially when they know their tenure as the head of the organisation is limited to a specific timeframe.

## Employee engagement

In addition to the level of cultural entropy, there are two other factors that significantly impact employee engagement—values alignment and mission alignment. These are the two vertical arrows in Figure 4. These two factors are profoundly influenced by the personal alignment of the leaders and the structural alignment of the organisation. These are the two horizontal arrows in Figure 4.

Since the values of the organisation and the way it is managed are a reflection of the values and beliefs of the present leaders *and* the legacy of past leaders, if you want to build a values-driven organisation then the leaders must change how they operate (change their values, beliefs and behaviours by focusing on their personal mastery<sup>4</sup> and shift to a higher level of personal consciousness) or you must change the leaders. Furthermore, you must make sure that the structures, policies, procedures and incentives of the organisation reflect the values of the organisation and the values and needs of the employees—structural alignment.

## Cultural entropy

The level of cultural entropy that is experienced in an organisation is directly linked to the level of personal mastery and personal consciousness of the present leader(s) and the legacy of past leaders. The fear-based energies exhibited by the current leaders (personal entropy) and the fear-based energies that show up in the structures, policies, procedures and incentives of the organisation (the legacy of past leaders) are the source of all the cultural entropy in your organisation.

In other words, if you want to reduce the cultural entropy and improve employee engagement of your organisation, you need to reduce the level of personal alignment of the current leaders, managers and supervisors (reduce the level of their personal entropy) *and*, at the same time, change the structures, policies, procedures and incentives of the organisation to align with the values of the organisation and the values and needs of employees.

Ultimately, when everything is considered, there are three main factors you need to focus on if you want to build a high-performance, values-driven organisation—*the personal alignment of the leaders, managers and supervisors, the structural alignment of the organisation and the values and mission alignment of the employees*. The key objective in all these interventions is to increase the level of employee engagement.

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<sup>4</sup> Personal mastery: The process by which we bring our subconscious fears into our conscious awareness and thereby learn how to manage them and the emotions associated with them. See Richard Barrett, *The New Leadership Paradigm* (Asheville, NC: Fulfilling Books), pp. 151–190.

## **The process of whole system change**

Whole system change involves addressing the four conditions shown in Figure 4—personal alignment, structural alignment, values alignment and mission alignment—and addressing the system-wide causes of cultural entropy.

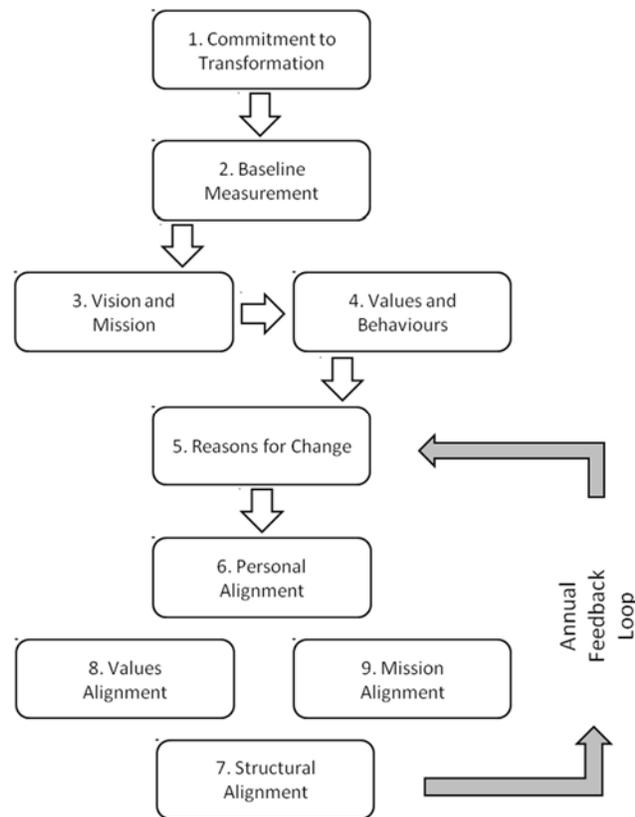
The starting point is to find out what is working and not working in the organisation. This involves carrying out a cultural diagnostic (Cultural Values Assessment) for the whole organisation, including data plots for each business unit, department and team, as well as organisation-wide demographic categories such as gender and age. The results of the assessment will allow you to identify the level of cultural entropy, values alignment and mission alignment for the whole organisation, and for the individual business units, departments and teams. The results also provide you with a roadmap for change.

Change needs to happen at two levels: At the level of the organisation as a whole, and at the level of the units, departments and teams that have the highest levels of cultural entropy and lowest levels of values alignment and mission alignment. When you compare the level of cultural entropy, values alignment and mission alignment in each business unit, department and team you will be able to develop a “league table” of the “best” and “worst.” Those units, departments and teams with the highest levels of cultural entropy and the lowest levels of values and mission alignment are the ones that need the most attention.

This will involve working with the leaders of these units, departments and teams on their personal mastery to reduce their level of personal entropy, thereby reducing the level of cultural entropy they are creating in their units, departments and teams.

### ***Overview***

The whole system culture change process can be divided into nine stages. These are shown in Figure 6 and described below in the following paragraphs. The first five stages apply to organisations that have not been involved in a cultural change programme in recent years. The last five stages represent the annual feedback loop that allows organisations to manage their culture and values on an ongoing basis.



*Figure 6:* The whole system change process.

The annual feedback loop involves carrying out Cultural Values Assessments and Leadership Values Assessments, to identify the changes that need to be made, and then implementing these changes. The changes you make should eventually result in a lowering of cultural entropy, and an increase in employee engagement (values and mission alignment): They should also result in an improvement in the output and outcome indicators. Every year the changes in causal indicators (cultural entropy, values alignment and mission alignment) should be correlated against the changes in output and outcome indicators.

It is usually not necessary to review the vision, mission and espoused values of the organisation every year. However, you may notice over a period of three-to-four years that the results of the Cultural Values Assessments indicate employee value shifts that might cause you to consider reviewing your vision, mission and values. I know that in my own company, over a period of 15 years, we have twice found it helpful to change one of our values. We have never found it necessary to change our vision and mission.

### ***Step 1: Commitment to transformation***

Whole system change begins with the personal commitment of the leader and the leadership team to the change process. Without this commitment there is no point in proceeding. It is important for them to understand that, in making this commitment, the leader and the whole leadership team may have to focus on their own personal transformation, particularly those who head up units or departments that display high levels of cultural entropy.

The *sine qua non* of culture change is: To improve the culture of an organisation, the leaders must change or you must change the leaders.

Organisational transformation begins with the personal transformation of the leaders. If there is no commitment by the leader and his or her leadership team to a shift in their values and behaviours, it will be pointless embarking on any form of whole system change process.

Additionally, the leader of an organisation must own the process and be personally involved in the initiative. The leadership team must fully support the leader in this work. The process of cultural transformation is not something that can be delegated, nor can it be handed off to a team of consultants. Consultants can help guide the process, but they should not be in charge of the work. It is not a project: It is a process. Culture work is something that the organisation has to do for itself, and it is always ongoing: It never ends. Culture has to be managed, and the way we manage culture is through values.

At the start of the cultural transformation process, it will be important, if the leader has not already done so, to handpick his or her leadership team. As Jim Collins says in *Good to Great*, getting the right people on the leadership team and sitting in the right seats is extremely important.<sup>5</sup>

It is quite usual for there to be one or two naysayers in the leadership team who are not willing to sign up to personal transformation. They are happy for others to do it, but they are not interested themselves. This is the point where they have to decide to get on or off the bus. There is no room on the bus for anyone who is not a willing participant and committed to the process. Usually at this point, the naysayers start looking for alternative employment. It is important that the leader be aware that this might happen and is willing to go ahead despite the fact that he or she might lose some of his or her best performers.

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<sup>5</sup> Jim Collins, *Good to Great* (New York: HarperCollins), 2001.

### ***Step 2: Baseline measurement***

After the leader and leadership team have made a personal commitment to the change process, then you can proceed by carrying out a Cultural Values Assessment (CVA) of the organisation and, at the same time, build a scorecard of the organisation's current performance, including output indicators such as productivity, efficiency and quality; outcome indicators such as profit, income and market share; and causal indicators—cultural entropy, values alignment and mission alignment—that you get from your CVA results. The object of the scorecard is to develop a set of baseline indicators from which you can measure the progress and impact of your whole system change process from year to year. This is also the best moment to do a values clarification exercise. This involves setting up focus groups across the whole organisation to develop a deeper understanding of the impact and behaviours associated with the top positive and potentially -limiting values that show up in the results of the Cultural Values Assessment.

### ***Step 3: Vision and mission***

After you have completed your baseline measurements, the next step is to review or redefine where the company is going. It is time to develop an internal and external vision and mission for the organisation.

In large and medium-sized organisations setting the vision and mission is the job of the leadership team. This task cannot be delegated. The direct reports of the leadership team (the leadership teams of the members of the leadership team) and a cross-section of the rest of the leadership group should be asked for their comments once the leadership team has sketched out some draft statements. The vision and mission statements should be short, easily memorable and inspirational. They should reflect a higher purpose. The purpose of the mission and vision statements is to give focus and direction to the organisation so everyone is working towards the same goals. In small organisations, as long as it is manageable, it makes sense to involve as many people as possible in setting the vision and mission.

### ***Step 4: Values and behaviours***

In addition to developing a vision and mission for the organisation, it will also be important to define the values the organisation wishes to embrace to guide its decision making. These are known as the *espoused* values.

The results of the CVA will be useful in this regard since it will highlight the values that are most important to employees in their personal lives and the desired cultural values. To the extent possible, all employees should be involved in this process. The values should be single words or small phrases that are easily

memorized and support the vision and mission. Normally, there should be no more than five values: Four is ideal. Preferably, the values should be spread over multiple levels of consciousness with at least one value at levels four and five. Some organisations that work with the Barrett model prefer to choose seven values—one at each of the seven levels of consciousness. Some organisations like to prioritize their values. What is important in this exercise is that the values can be easily recalled from memory. This can be difficult if you have a large number of values. The need to prioritize your values becomes important when you have more than four values.

The purpose of the espoused values is to provide a set of common principles that define how people in the organisation should interact with each other and with the outside world.

Once the espoused values have been chosen, two or three behaviour statements should be developed for each value. To determine what behaviour statements are appropriate for each value you can use a technique such as appreciative inquiry.<sup>6</sup>

The purpose of developing behaviour statements is twofold:

- To give clarity to what each espoused value means in the context of the day-to-day operations of the organisation so you can recognize the value in action.
- To provide a way of evaluating executive and employee performance—to measure the degree to which leaders, managers and supervisors as well as other employees are living the values of the organisation.

Because behaviours are always contextual, it is not unusual for different behaviours to be used for the same espoused values in different parts of the organisation. The behaviour statements should be short, memorable, one-sentence statements that describe the actions that support the value they represent, and they should be appropriate for the context of the work unit. For example, the value of “trust” on a factory floor may give more focus to competence-based behaviours, whereas “trust” in a sales or accounting department may give more focus to character-based behaviours.

Together, the values and behaviours, and the vision and mission, should define the unique character and personality of the organisation, the levels of consciousness it operates from, and the key features of the brand. The ultimate purpose of defining the vision, mission, values and behaviours of an organisation is to create a high-trust culture, a capacity for collective action and a sense of internal cohesion.

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<sup>6</sup> Appreciative Inquiry (AI) is a process or philosophy for involving individuals in a dialogue that focuses on renewal and change. See *The New Leadership Paradigm*, pp. 456–457.

The process of building internal cohesion should begin with the leadership team. The leadership team can be regarded as a cultural fractal of the whole organisation. If you don't have internal cohesion in the leadership team, you will not have internal cohesion in the rest of the organisation. The only way to build internal cohesion in a leadership team is to create a climate of trust. This requires that the leaders spend quality time together, getting to know each other at more than a superficial level.

### ***Step 5: Reasons for change***

For any significant change process or cultural adjustment there should be a clear understanding among the executive population about why the proposed changes are being undertaken. Whether you are involved in a one-off change project or carrying out an annual cultural adjustment (values management exercise), the results of the Cultural Values Assessment will direct you to what you need to do to improve your outputs and outcomes. The changes that are proposed should be clearly communicated to everyone along with the benefits the proposed changes are expected to bring.

When the changes that are being proposed are based on the results of a Cultural Values Assessment in which a large number of employees have participated, the changes are usually welcomed. The Cultural Values Assessment gives employees a voice. It provides a way for employees to communicate directly with the leaders of the organisation about what they believe is working and not working, what is important to them and the needs they have that are not being met.

Organisations that use the Cultural Values Assessment on a regular basis have found that the number of employees taking the survey each year increases as employees realize that the leaders of the organisation are not only taking note of what they say, they are also taking actions that address their needs. When this happens the year-on-year results of the Cultural Values Assessment will normally show a drop in cultural entropy and/or an increase in values alignment and mission alignment.

### ***Step 6: Personal alignment***

Personal alignment should begin with the leadership team. As shown in Figure 5, when the leaders transform—achieve a higher level of personal mastery or adopt a higher set of values—their behaviours change, and as their behaviours change, the culture changes.

To this end, it is important for all members of the leadership team and the extended leadership group to get feedback from their colleagues on the extent to which their values and behaviours support or detract from the desired organisational culture. One way of doing this is for all members of the leadership

team and the extended leadership group to carry out a Leadership Values Assessment (LVA). The feedback from this assessment should include a coaching session to support the leader in lowering his or her level of personal entropy and shifting his or her focus to the higher levels of consciousness—helping them to find a sense of purpose, to collaborate with others to make a difference, and to leave a positive legacy. This will involve developing their empathy and compassion skills and tapping into their intuition and inspiration.

After the leadership team has embarked on the process of personal alignment, the direct reports of the leadership team should follow suit. Eventually, everyone in the organisation who is a leader, manager or supervisor should participate in some form of LVA feedback process that enables them to grow and develop and improve their performance.

### ***Step 7: Structural alignment***

The purpose of the structural alignment process is to reconfigure the structures, policies, procedures and incentives of the organisation so they fully reflect the espoused values *and* the vision and mission of the organisation. For change to happen, the espoused values must become pervasive at the institutional level. In large-scale organisations, the process of structural alignment can take up to two-to-three years to implement. In smaller organisations it can be done in less than a year. The responsibility for this usually falls to the human resource function.

One of the best ways to create structural alignment in an organisational setting, and at the same time safeguard and promote the culture of an organisation, is to develop a cadre of internal cultural ambassadors—internal change agents and values champions—who live the organisation's values and deeply believe in the purpose of the organisation. Over the past 15 years, I have come across many organisations that have developed an internal capacity for sustainable cultural maintenance and renewal. Some examples of the practices they have used for embedding the culture of their organisations are described in Chapter 15 of *The Values-Driven Organisation*.

### ***Step 8: Values alignment***

In order for the espoused values of the organisation to be lived, everyone in the organisation needs to know what the values are, and how the values relate to the role they are performing in the organisation. This is usually communicated through a values alignment workshop.

As already stated, different behaviours may be associated with the same value depending on the functions that a particular unit, department or team performs. It is useful, as part of the values alignment process, for employees to define the behaviours of their unit during the values alignment workshop. Once employees

in a particular unit have agreed on a set of behaviours, they should individually and collectively commit to them, and be accountable for supporting each other in living the agreed behaviours.

The purpose of values alignment is to inculcate the espoused values and behaviours of the organisation into the executive and employee population. Apart from the informational content, the values alignment workshops should give participants the opportunity to explore their own values and understand and practise the concept of values-based decision making. The Personal Values Assessment (PVA)<sup>iii</sup> can be used as part of the personal values clarification process.

### ***Step 9: Mission alignment***

Just as everyone in the organisation needs to be aware of and aligned with the espoused values and behaviours of the organisation, they also need to be aware of and aligned with the vision and mission. This is usually communicated through a mission alignment workshop. The purpose of a mission alignment workshop is to make sure everyone has the same understanding of the mission and vision of the organisation.

Apart from the informational content, the mission alignment workshop should give employees the opportunity to explore their own sense of purpose or mission to see if the role they are currently performing matches their skills and talents, and aligns with their passion. The workshop should also enable employees to get a clear line of sight between the work they do each day and the mission or vision of the organisation. Every employee needs to know how the contribution they make on a daily basis makes a difference to the success of the organisation.

### **Frequent mistakes**

The four most frequent mistakes made in culture change programmes are as follows:

*Forgetting to do structural alignment:* This step—the realignment of the structural incentives—is the one that is most frequently ignored, poorly executed or forgotten in cultural transformation initiatives.

Many organisations put a great deal of energy and resources into personal alignment or personal development programmes for their executives without doing anything about structural alignment. This serves only to aggravate the level of discontent and disillusionment in the executive and employee population. When executives and employees return from personal development and personal mastery programmes, they usually come back with a higher personal awareness about how they should be interacting with their colleagues. They quickly become disillusioned when they realize that, although they have changed, the

organisation has not. The new behaviours they have learned are not practised by their superiors, and they are also not rewarded.

*Unique focus on team building:* Another frequent mistake that companies make is to invest in team building without first focusing on personal alignment. This significantly limits the potential for success: Without self-knowledge and personal mastery the impact of a team-building exercise may not last. For maximum impact, personal alignment (learning to lead yourself) should precede team building. This particularly applies to the top team where very often most of the dysfunction lies. Learning to lead yourself is a prerequisite to leading others.<sup>7</sup>

*Failure to customize the transformation process:* Change agents and consultants frequently make the mistake of using off-the-shelf personal alignment or team-building programmes that have not been tailored to the specific needs of the organisation, unit, department or team they are working with. When you carry out a Cultural Values Assessment (CVA), a Small Group Assessment (SGA) or a Small Organisation Assessment (SOA) you immediately know when you get the results, what issues need to be tackled and what topics your personal alignment and team-building programmes should address.

*Failure to build internal capacity for values/culture management:* Whole system change is an inside job and it is an ongoing process: It needs to be -managed and facilitated by people who are trained. It cannot be handed off to consultants; but it can be guided by consultants—by experienced individuals who are able to transfer their knowledge and skills to the people in the organisation who are charged with values/culture management. In large organisations, it is particularly important to train people throughout the organisation in the use of the Seven Levels of Consciousness Model and the Cultural Transformation Tools. These people, once trained, become the organisation’s cultural ambassadors and culture navigators also known as change leaders or culture leads.

## **Conclusions**

In order to build a high-performing, values-driven organisation that engenders high levels of employee engagement (values alignment and mission alignment) and low levels of cultural entropy, you will need to develop a culture change process that targets both the personal alignment of the leaders and the structural alignment of the organisation.

This work should not be approached as a project: It should be regarded as an ongoing process of values management that becomes deeply engrained into the measurement ethos of the organisation. Using the Cultural Values Assessment and the Leadership Values Assessment, on an annual basis, you will be able to

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<sup>7</sup> These topics are dealt with extensively in my book, *The New Leadership Paradigm*.

monitor the level of cultural entropy, the level of values alignment and mission alignment, and the level of personal entropy of the leaders, managers and supervisors. You should also monitor and review the level of structural alignment every year, after you have reviewed the results of the annual Cultural Values Assessment.

Carrying out an annual Cultural Values Assessment allows you to determine the personal needs of your employees, and monitor the extent to which they feel aligned with the culture of the organisation (values alignment), and the extent they feel the organisation is on the right track (mission alignment). Together with the level of cultural entropy, these indicators enable you to assess the level of employee engagement.

## Summary

Here are the main points:

1. To be effective, any change management or cultural transformation process should focus on the whole system, not just part of it.
2. In order to successfully implement a cultural transformation process, four conditions must be met—personal alignment, structural alignment, values alignment and mission alignment.
3. Personal alignment: There must be an alignment between the values and beliefs of individuals and their words, actions and behaviours. This is particularly important for the leaders, managers and supervisors.
4. Structural alignment: There must be an alignment between the stated values of the organisation and the behaviours of the organisation as they are reflected in the structures, policies, procedures and incentives of the organisation.
5. Values alignment: There must be an alignment between the personal values of employees and the lived values of the organisation. It is important that all employees feel at home in the organisation and can bring their whole selves to work.
6. Mission alignment: Employees need to feel that the organisation is on the right track. They must also feel a sense of alignment between their own sense of purpose or vocation and the role and duties they are asked to perform.
7. The culture of an organisation is a reflection of the level of personal development (consciousness) of the leader(s).
8. The fear-based energies exhibited by the current and past leaders are the source of the organisation's cultural entropy.
9. In order to build a high-performing, values-driven organisation you will need to develop a process of ongoing values management.
10. The three main factors you need to focus on if you want to build a values-

driven organisation are the personal alignment of the leaders, managers and supervisors, the structural alignment of the organisation and the values and mission alignment of employees.

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<sup>i</sup> See [www.valuescentre.com](http://www.valuescentre.com) for more information on the Barrett Values Centre's Cultural Transformation Tools.

<sup>ii</sup> See [http://www.valuescentre.com/products\\_services/](http://www.valuescentre.com/products_services/).

<sup>iii</sup> See <http://www.valuescentre.com/pva>.