Value based leadership

Lord Sawyer of Darlington

Harry Kraemer in his book *From Values to Action: The Four Principles of Values-Based Leadership* says, “becoming the best kind of leader isn’t about emulating a role model or a historic figure. Rather, your leadership must be rooted in who you are and what matters most to you. When you truly know yourself and what you stand for, it is much easier to know what to do in any situation. It always comes down to doing the right thing and doing the best you can.”

Value based leadership is a way of being clear about your values and attempting to manage and live accordingly. It is important for leaders to explore their values and to consider to what extent they are able to manage in line with the things they believe in.

I argue that if you are clear about your values then you become a stronger leader. All really great leaders are values driven.

My exploration of this approach came from work with the board of a leading financial services company where we knew what the business values were, but we wanted to explore to what extent peoples personal values were in line with the business values.

It is not the same as ethics. Ethics addresses questions about morality — that is, concepts such as good and evil, right and wrong, etc. - for example, is it ethical to trade with Libya? Values based leadership is about how you behave, how you act. For example, if one of your values is truthfulness would you ever tell a lie in business even if the lie seems small and looked like it might help the business?

The impact on corporate governance would be through openness and clarity that owners or stakeholders would get from a board who had decided to manage in accordance with a clear set of values.

Kraemer neatly summarises the four principles of values-based leadership as:

- self-reflection: You must have the ability to identify and reflect on what you stand for, what your values are, and what matters most to you. You must be willing to look within yourself through regular self-reflection and strive for greater self-awareness. If you aren't self-reflective, how can you truly know yourself? If you don't know yourself, how can you lead yourself? If you can't lead yourself, how can you lead others?

- balance, which means the ability to see situations from multiple perspectives and differing viewpoints to gain a much fuller understanding. Balance means that you consider all sides and opinions with an open mind.

- true self-confidence, accepting yourself as you are. You recognize your strengths and your weaknesses and strive for continuous improvement. With true self-confidence you know that there will always be people who are more gifted, accomplished, successful and so on than you, but you're OK with who you are.
genuine humility. Never forget who you are or where you came from. Genuine humility keeps life in perspective, particularly as you experience success. In addition, it helps you value each person you encounter and treat everyone respectfully.

I saw it work and believe it provides a strong dynamic and very focused leadership. Focus comes from leaders sharing the values they feel important and then aligning those values with those of the business. The most important gains can be had from moving this discussion down the organisation. Where this is done the focus is massively improved and people really get where they are going, what they are doing and why.

Value based leadership requires greater clarity about the values of the organisation and then a high degree of self examination by all leaders to determine what they believe in, and asking “does what I believe in match the values of the organisation?”

The process of working through this is revealing and challenging but ultimately very rewarding. To follow the road of value based leadership you have to be interested in running a business on a set of values and then be open to looking at your own values, really questioning yourself to prevent empty rhetoric, being prepared to say what you stand for and be held to that.

Reference: From Values to Action: The Four Principles of Values-Based Leadership
Harry M. Kraemer, Jossey-Bass, April 2011