

How Values-Driven Leadership delivers superior performance, radical resilience and enterprise sustainability!

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Abstract

Augmenting enterprise performance, resilience and sustainability has become major concerns in the rapidly evolving corporate world. It is occupying the centre stage of think tank of any forward looking organisation in turbulent times and change as positive rather effective leadership has positive ripple effect in the organisation. Organisational leaders' relentless pursuit of creating agile and resilient enterprise is pointer to the fact that 'trust' element plays a crucial role between organisation and its' stakeholders through the practicing of ethical and value based leadership principles.

Various researches in the lexicon of corporate literature have highlighted the fact that values driven organisations build high performance culture and organisational attitude and courage to challenge, commit, and contribute in various ways to create positive impact on performance, power of resilience and sustainability.

These values driven organisations have influenced tomorrow's enterprises rather forward looking organisations to champion and align the organisational values with personal values and bring courage and commitment to drive agility and innovation for superior value creations. This is reflected in the competitive agility index and stock market returns of the various global organisations.

Therefore, the purpose of this article is to present a wholesome perspective on values driven leadership style and reflecting on attitude, cultures and behaviours in the organisation to deliver superior performance, radical resilience and organisational sustainability in highly diverse and rapidly evolving business dynamics.

Key words: Values-Driven Leadership, resilience, sustainability, agility, innovation

INTRODUCTION, CONCEPTUAL FRAMEWORK AND ANALYSIS

The art and practice of Values-driven leadership is based on the idea that **leaders** should draw on their own and followers' **values** for organisational direction and motivation. **Values-driven leadership** philosophy underlines that people are mostly inspired and motivated by **values, ethical behaviours and actions**. In other words, **values** are regarded as most natural motivators and binding force towards organisational sustainability and performance.

Various researches in corporate literature highlights the fact that organizations having common set of **values** that are imbibed and practiced religiously in the organisations develop a culture of accountability. Therefore, the die-hard commitment to a **value** system serves to strengthen the enterprise's ethical culture, enhances role clarity, trust in relationship, retention, and productivity, and delivers benefits in long term perspective.

However, in order to comprehend the topic better, it is imperative to refresh understanding about the leadership and what it involves or takes to deliver.

Leadership is the force which creates the right synergy for followers to accomplish the task and deliver superior performance, as envisioned by the leader. There are many research papers and books written on leadership qualities and what makes a good leader. Few of the core qualities required by a leader are the values the leader imbibes, the trust the leader imposes and the emotional connect he/she makes with the followers. If we study the successful military campaigns, or successful business ventures in the world around us, we will notice that good leadership was the essence of such successful undertakings. Actually the term leadership originated from the early

military campaigns and the reference can be seen in Sun Tzu's Art of War (compiled in 5th century BC). A number of leading corporate businesses in the modern context also still follow the strategies and leadership advice given by Sun Tzu's in this book.

"The only thing that works is management by values. Find people who are competent and really bright, but more importantly, people who care exactly about the same things you care about."-Steve Job, Apple Inc.

Global business climate is facing upheaval of unprecedented scale. As business dynamics face turbulence and change, culture and values has become the key source of continuity and coherence, of renewal and sustainability. In this tumultuous time, organisational leaders must be institution-builders who should imbibe the organisation with values and purpose that inspires today and endures tomorrow. Most importantly, leaders should find the common purpose and universal values that unite highly diverse people while maintaining individual identities.

The above situation demands application of values-driven leadership style that energizes the enterprise to pursue a common objective rather goal using a set of shared values.

Values-driven leadership philosophy highlights that people are mostly motivated and inspired by values and live according to these beliefs.

In other words, values acts as most natural motivators. Therefore alignment of individual values with that of organisational values is a pre-requisite to leaders to craft the vision, building cultures, making decisions which motivate the workforce to act in coherent manner.

Richard Barrett (2006) also stated that Values- Based leadership is a way of making authentic decisions that builds the trust and commitment of employees and customers.

From a philosophical standpoint, values-based leadership is based on the belief that an organisational DNA built around shared values is likely to be more flexible, responsive and therefore productive. Leaders who believe and apply this philosophy are likely to experience following benefits or advantages:

- Leaders will be able to make better choices without any organisational bottlenecks and impediments and get more comfort level to act upon them;
- Leaders can build better, more trusting, congenial and less stressful relationships with followers;
- Leaders are more likely to feel aligned with their sense of identity, 'authentic self' or inner values and beliefs.

One of the critical task cut out for Values based Leader is to design and nurture organisational culture quite systematically rather than haphazardly. This style of leadership is mainly responsible for creating organisational sustainability and growth by bringing high performance culture aligned with delivery models.

Therefore, leaders must lean on the values of the organization to drive performance, especially during times of organisational transitions to address the situations like new product developments, cost cutting, innovative way of process development for better value deliveries in alignment with enterprise values. An organization's values delivers to the purpose of the organisation and therefore should be the bedrock of why the company exists and design in terms of organisational decision making and its true purpose. It should be authentic and relatively specific so they actually resonate with the leaders and team to create high level of engagement with passion for high level of productivity.

Performance Management system in high-performing and forward looking organisation is designed and calibrated on defined values of the organisation. Those values act as guiding factors for performance evaluation at the individual and team level. This is especially true for the organizations that are facing transformations due to shift in dynamics and evolving environments. This kind of situation gives birth to the opportunity for values based leadership to any organisation to learn new behaviours without tossing out usual performance metrics And, Enterprise performance management system needs to bring in values-based performance evaluation systems. If any individual/employee or team is being asked to learn and try out new systems and processes and accordingly adjust to organizational and cultural transformation, their criteria or Key Performance Indicators for "great performance" needs to be adjusted. New and innovative HR mechanism and performance review systems

can be a powerful motivating and supporting tool for improving or changing a company's destiny from mediocre value delivery enterprise to superior value delivery entity.

This transformation of mediocrity enterprise to superior value delivery enterprise brings into the focus - the concept of **Radical Resilience**. The value based leadership is regarded as one of the major determinant factor towards creating radical resilience by creating better competitiveness, sustainability and growth.

Therefore the critical question before any management and leadership professional is how values based leadership brings radical resilience!! Organisations when they face radically turbulent times because of various disruptors which demand professional and personal responses that transcend our regular work and life patterns. Organisations of any type that cannot respond with agility, innovation, ethical conduct and tolerance for uncertainty will not survive as change is exponential and happening at an unprecedented pace which requires agile ability to adapt, learn and implement new behaviour and actions in the face of change and disruption. Radical resilience is demonstrated through a strong sense of purpose, commitment, control and attitude of challenging status quo, stressful and complex situations.

Therefore, more comprehensively, it can be stated that radical resilience involves the courage to challenge, commit, innovate and contribute in ways that positively impact both present and future. Organisations can't just afford to "bounce back" from challenge anymore, but need to grow through transformation as a real opportunity, not go back to how things were. What will it take to get there?

Leadership is a rare commodity world-wide, we have got to preserve it and augment it to make the world a better place to live in, as well as deliver superior performance and ensure business sustainability in the long run. A strong emotional quotient is very much an essential factor for a leader to connect with the people; its well-known that the softer skills, ethics, values drive people to better performance once the leader pulls people to deliver the vision he/ she wants to accomplish. Bob David, Brian Carney and Isaac Getz , authors of 'Leadership without Ego: How to stop managing and start leading' (2018) talk about a simple event like, if you take a chain, pile it up, and then push it, they ask which direction will it go? The actual

answer is 'Nowhere', as one cannot predict which direction it will go, since it can go any way. Then they say that if you take it by the end and pull it, it will always follow you. That they say is the essence of good leadership, where a leader does not push people, but pulls them to accomplish and deliver a superior performance. They also mention that leadership is not about what sets you apart from those you lead—it's about what binds you together. It is not about controlling others—it's about trusting others. It's not about your achievements—it's about unleashing your team's greatness. In short, leadership really isn't about you—it's about your people.

A high level of motivation is a must for accomplishment of challenging goals and objectives by a team, and leadership assumes vital importance here, since various studies have proved that good leadership with a good team creates a kind of force-multiplier effect in achieving one's set objectives. Values and ethos of the leader and team are the core which create this binding force to accomplish the task. According to Bennet A, Bennet D and Shiang LL (2010), military leaders are developed and educated to deal with stressful, unpredictable situations with a potential for having the worst possible outcomes. Such experience builds the capacity to handle stress, work with people, develop strategies, and deal with the unknown, each of which requires knowledge that applies in many areas of individual and organizational life.

There is a strong connection between a military unit achieving its aims and objectives, and a business unit achieving its objectives. The difference may be in terms of the extent of motivation required to achieve these aims, because of the onerous nature of the objectives themselves; for in the military the level of difficulty will be high, whereas in the business entity, the level of difficulty may be relatively lower. But at the end of the spectrum, if we visualize the accomplishment of the objectives, there will be many similarities and both successes will come from value driven leadership and the resilience to perform well under changing environmental situations. In the military, a battalion or unit's strength of delivering its arduous outcomes of a task comes from the battalion's ethos and values that are ingrained in the soldiers. That kind of motivates and propels them to an extreme end of even sacrificing their lives for the values and cause that they stand for. According to the thought on expressing war as a Business Paradigm (Madansky A, 2005); underlying all this is

the notion that conducting business is like conducting a war - and whom better to learn from about such conduct than successful war strategists? Also underlying this is an affective or psychological appeal to the executive, equating the business leader to the military general - and who better to learn from about such leadership than successful military leaders? The implication is that there are a number of similarities between the art of war strategies and business strategies. Both require good leadership which should be high in values and ethics.

Like the military operations, in the business world too, leadership is critical for superior performance of an enterprise. According to Usch T and Wennes G (2012), leadership processes will be impacted by changes both in organisational culture and in organisational identity - especially when the leadership is deeply rooted in organisational values. Value-based leadership is an action-based leadership style that takes into account dynamic and changing values and identities. According to House (1996), value-based leadership rests primarily on two leadership dimensions: (1) making values visible and meaningful; and (2) creating moral engagement in the organisation. That is why in business organizations, values and ethos form again the core of connecting the people on a common grid, giving them the resilience to change things which warrant such changes due to a volatile fluctuating environment, which moots the basic philosophy of a statement that 'Change is the only constant in life'. Resilience combined with good value based leadership delivering a superior performance will ensure a longer enterprise sustainability. The values should be explicitly seen, felt, imbibed and be ethically significant in every team member, where people commit to a moral engagement in the organization.

The respondents in research done on values and soft aspects of leadership (Backstrom I, *et al*, 2018) indicated strongly that the managers and the leaders have a very important role to help foster the conditions for co-workers to meet the goals of the organization. They also said that to lead, one requires an understanding about human dynamics (the soft aspects of leadership) even when guided by structural or hard elements, such as profitability and productivity. Values are the intangible assets which emotionally connect people and are the norms they follow and share amongst themselves. Good leadership, where followers want to follow their leader towards his/

her vision is accomplished when the followers repose a lot of trust in their leader, which also implies that there has to be utmost transparency and integrity. These are the intangible softer elements which are very crucial as a bridge connection between the leader and his/ her followers. When a strong relationship is established between the leader and the followers, it mainly occurs because of the values of trust and honesty, which consequently translates into better performance and sustainability. According to transformational leadership and shared values discussion by Gillespie NA and Mann L (2004), the central importance of interpersonal trust for sustaining team and organisational effectiveness is increasingly being recognised (Dirks & Ferrin, 2001). Employees' trust in their leaders has been related to a range of productivity-related processes and outcomes, such as the quality of communication and problem-solving, discretionary effort, organisational citizenship behaviour, organisational commitment and the rate of employee turnover (Dirks & Ferrin, 2002).

If a leader wants to effectively influence his/ her followers, and in consonance with value driven leadership, one of the critical characteristics which a leader must possess is trust of their subordinates. Trust again comes from a leader who would connect emotionally well with the team members and ethics, transparency and values form the core of developing trust. According to the concept of Trust Leadership (Martin M. M., 1999) values, trust and attitude go hand-in-hand. Employees that perceive values incongruence will distrust, thus decreasing productivity, effectiveness, proper service delivery and profitability. Similarly, employees who trust their leaders, who feel values congruence will react positively to the vision and mission of the organization. It is essential for values congruence and trust to exist for the transformation process to take place. One of the common core issue that keeps coming in values driven leadership is the congruence of soft factors like trust, values, ethics, attitude, which become the fundamental factors for such a type of leadership to influence followers in such a way that they connect with their leader emotionally to deliver the vision towards a superior performance. More research could be done to study the impact of trust, values and other such soft elements on leadership which will effectively deliver the goals and objectives of the leader and the team.

Utilizing effectively situational based leadership is an important aspect to deliver superior performance. There are different types of leadership and usage of a particular type of leadership is dependent upon the situation the leader and his/ her team are in. For example a company undergoing a tumultuous time in its business, may require an authoritative kind of leadership to stride over a crisis, whereas a well running business may require a democratic style of leadership. Both transactional and transformational forms of leadership have to be exhibited again in a company which is progressing through different stages of its business cycle. Values and ethics will always be at the core of any situational type of leadership one wants to pursue. It will not matter much in terms of the type or form of leadership one will use for different business situations, but whichever style is used, values and ethics driven leadership will form part of all these situations, which eventually will help the organizations towards more sustainable development. According to the study done on relationship of leadership style and CEO values to ethical practices (Hood JN, 2003), it addresses an underdeveloped area in leadership and values studies, by analysing the relationship between these factors and actual ethical practices in organizations. Clear links between values and ethical practices and values and leadership style were found. The relationship between leadership style and ethical practices was more complex, and warrants additional research. The ethical practices followed in organizations today is a critical issue for managers to consider in today's business environment. Organizations will need to consider both the values and the leadership styles of the top management team in order to ensure that ethical practices are observed within the organization.

If one studies the historical data with respect to the business global development that has occurred since the last century and a half itself, it would be prudent to admit that since the establishment of 'Industrial Revolution' since the mid-1850s till date, technological progress has occurred in an exponential fashion. The rapidity and transition of business growth in the last few decades itself since the advent of computers and internet is unprecedented, and the coming two decades or so are again going to see unparalleled growth with the advent of Artificial Technology. What happens with this kind of an extraordinary growth is that management of these phenomenal

changes become more and more complex, and this has a cascading effect on the resources utilization as well as efficient business management. According to Barker (2001, p. 491), ‘... leadership is all about change’ and no change is value free (Macleod and By, 2009). Burnes and Jackson (2011) argue that all approaches to leadership and change are underpinned by a set of ethical values that influence the actions of leaders and the outcomes/consequences of change initiatives for good or ill. To effectively and efficiently manage these changes, one thing that never changes is good values driven leadership which delivers superior performance and manages the radical resilience of changes successfully to ensure long term enterprise sustainability. Even if one goes beyond the last few centuries itself, and in a historical perspective of the BC era even, there would be innumerable data and evidence available to show that for good progress and growth to occur, which required one to deliver a superior performance, leadership and values associated with such leadership have always been the force which propelled societies and civilizations to make progress and move ahead. Also, another important point of interest to note will be that through the passage of time, when changes made were successfully achieved through business objectives, it always did bring in an element of uncertainty. Ambiguity and change are inter-related, as complex changes will bring in uncertainty, but which can always be handled successfully by good values and leadership. According to Frost J (2014), at the core of values-based leadership are leaders who relish the challenge and the responsibility of leadership. They have the skills and knowledge to lead in an ever changing environment without being overwhelmed by the complexities of leadership. Actually the values-based leadership gives leaders and organisations the flexibility to lead through ambiguity and change.

It is a well-established fact also that leaders must have a clear and coherent vision. The vision is what the leader can see in the future and how he/ she wants to accomplish the mission within this vision. Realization of objectives occurs when the leader relentlessly pulls the people towards the achievement of the set mission, as has been brought out earlier also. Pull is important here and not push, as good managers may push people, but good leaders pull the people; also when the people see the same thing in what the leader sees in his/ her vision, it creates that synergy towards achieving superior

performance by the leader and his/ her team. Adversity, challenges, hardships do come along the way of major accomplishments, and these can be overcome with a leader driving and leading the mission with robust values, integrity, ethics to motivate the team to deliver the superior performance sought from them. According to Kishore K, Majumdar M and Kiran V (2012), a great leader shows ability to make decision and act boldly in the face of setbacks and adversity. Leaders are sensitive to and are aware of the needs, feelings and motivation of those they lead. Visionary leaders develop ability to predict and anticipate the future. These qualities will trigger sustainability in every aspect.

Currently, and in future too we will always need businesses to deliver superior performance in whichever domain they are engaged in, as well as be able to adapt quickly to the rapid changes that are occurring in the environment and causing constant disruption. Within the realms of this disturbance, we need to create businesses which can operate successfully through these radical changes with a lot of resilience, to eventually emerge victorious in terms of long-term sustainability. The central and core mandatory requirement to accomplish superior performance, radical resilience and sustainability is good robust value based leadership. Value based leadership is indeed a rare resource, but we have to nurture it in our next generations so that they can carry forward the legacy established by our fore-fathers towards a beacon of growth, development and superior performance by societies, civilizations and the business communities.

Now the question arises as to how value based leadership can be practiced in an organisation as a management philosophy and a guiding architecture! The journey towards establishing the said practice by identifying, explaining, and providing examples of values-based leadership with direct endorsement and encouragement to employees to believe and buy into the underlying core values of the organisation. Individuals and organizations (as a whole) have value systems that influence their attitudes, behaviours, and the ways in which they allocate resources. Values are regarded as the backbone or glue behind organizational culture which guides and prioritises organisational strategic and operational planning and actions for realising positive results.

Therefore, the rationale of practicing **Value Driven Leadership** from macro and micro perspective is based on the fact that Values set the Culture(as a combination of values), and Culture influences Behaviours and Behaviours propel Actions to implement organisational plans , deliver results and create sustainability.

RESEARCH ANALYSIS

Authors believe that Case Study method could be one of the most viable and meaningful method of reflecting how organisations bring in the value driven leadership for tangible and intangible value creations. The rationale being that the topic requires an in-depth appreciation of the key issue event or phenomenon of interest, in real-life situation or context, the **case study** approach is particularly useful to employ when there is a need to obtain an in-depth appreciation of an issue, event or phenomenon of interest, in its natural real-life context.

Authors work as a consultant and therefore got the privilege of selecting one of the client's case to showcase the challenges, processes and impact. Authors are not mentioning the name of the organisation for data protection. This helps to highlight key issues and convert observations into useable data which in turn help to convert opinion into facts.

Background of the Organisation:

The Client organisation was engaged into engineering business underwent a strategic review for transforming the organisation into Total Facilities Management organisation. Board of Directors appointed a new Managing Director with the mandate of making it top three TFM companies. This transformation required targeting new markets, new clients and developing new ways of working which in turn necessitated to adopt new sets of leadership values, organisational cultures and capabilities.

Challenges:

The key challenges were to build new sets of organisational values and capabilities, culture and leadership styles which can help reach ambitious agenda of top three facility management companies. Therefore task for the top management was to bring people focused

strategies to transform business performance and create sustainable organisational values.

Actions Initiated:

Actions started by understanding critical issues and complexities connecting the client's management in navigating the challenges inherent in a leadership development process.

The following actions were initiated to deliver the mandate rather solutions:

- A 360 degree baseline assessment of client's leadership values, strengths, and areas for growth, based on confidential feedback from length and breadth of the organisation.
- Conduct a feedback review process together to understand and interpret results, explore management's reflections, and identify areas that need further inquiry.
- Supported the management in crafting an action plan, including specific and measurable steps they can take to live with values and lead more effectively.
- Track the progress, so client's management can see what's working and where they need to shift their approach.

Impact :

This exercise proved that Leaders play the critical role in cultivating an optimal culture. The leadership of clients' organisation learnt how to focus not only on hard impacts like revenue, profits, cash flow, stock market returns, ROI etc., but also the cultural impact on their workplace as well. This transformation helped the client to bring more effectiveness in the organisational culture and leadership behaviour and actions to achieve the targeted growth and ambitions with eternal sustainability. The client became more resilient to withstand the onslaught of evolving industry dynamics with growth.

LIMITATIONS

Recent studies confirm a strong culture drives organizational outcomes when aligned properly with but can be a significant value eroding liability if it is not aligned properly.

Organisation's culture is the determinant factor which can make or break the smartest strategy or the most experienced

corporate strategists and executives. Cultural patterns can produce innovation, growth, market leadership, ethical behavior and customer satisfaction —Or, It has the potentiality that can erode business performance, diminish customer satisfaction and loyalty, and discourage employee engagement.

Value driven leadership is a time consuming process as it is an all embracing holistic management process and it requires lots of resources, patience to set the culture right.

It requires strong support from CEO and executive Board of management to implement in the organisation. Lacking of adequate support by the top and senior management of any organisation is one of the key reason why this culture transformation fails.

CONCLUSION

Business history and corporate research has demonstrated many unethical behaviour and irresponsible actions of leaders resulting into debacle in organisational performance with severely adverse consequences on their employees, other stakeholders including followers and the world. The responsibility of any leader irrespective of the organisation is to set the values and culture. Consciously or not, leadership behaviour and management manner transmits a wide range of cultural parameters and sets the stage for a healthy or dysfunctional organisation. This article and analysis has examined literature and research to date and it has highlighted the fact that value driven leadership are more effective than other styles which lack a values based dimension to their leadership. Therefore, continuous leadership development is of paramount importance towards cultural transformation in any organisation. No wonder, cultural transformation with ever evolving business dynamics is the key aspect of value driven leadership. In this accelerated complex business challenges, Value Driven Leadership as a part of Value Based Management is an all-embracing, holistic management philosophy often require culture change. In an unstable business and economic environment, Value Driven Leadership and Value Based Management is regarded as a basic management philosophy enabling and supporting maximum organisational value creations and create radical resilience for better sustainability. Radical resilience helps organisations from mere surviving to thriving or growing.

FUTURE RESEARCH

Measurement is key to effective application and management. Therefore, future research can be directed to promote the development and measurement of value driven leadership who do have morality, ethics, and authenticity as foundational behaviours to their leadership. Leadership and management research should continue this important pursuit to define, clarify, validate and develop the construct and application of Value Driven Leadership along with measurements.

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