Teaching the Competing Values Framework

Questions? Contact Katherine Lawrence
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Origins of the CVF

  (research by Quinn, Rohrbaugh, Cameron, and colleagues)
  - Based on existing management literature
  - Derived 3 “competing values”
    - Focus
    - Structure
    - Means vs. ends (processes vs. outcomes)
- 1984: Proposed application to leadership roles (Quinn)
Areas of Application

- Leadership
- Team development
- Culture

- Strategy
- Innovation

- New product development

- Organizational change
- Organizational life cycles

- Effectiveness (outcomes)

Making Sense of the Framework
Assessments

- Card game: Interactive, best with 20 or more people
- Web assessment at competingvalues.com
  - Individual scores can be aggregated and analyzed
  - More “corporate” approach
- “Simple” assessment
  - Based on Creativity at Work by DeGraff & Lawrence
  - Uses transparencies for comparisons

Trade for four cards that best capture your ways of working
Questions to ask...

- How do they interact with each other?
- How do they decide who becomes the leader?
- What tools, methods, and processes do they use to improve the firm?
- For what offenses do they fire (sack) people?
- Where do we find these practices in your organization?
- What are some types of organizations where these practices are typically found?
- What value do they create?
- Are they fast or slow?
- Are their approaches breakthrough or incremental?

Alternative questions: How does each type go about its work?

- How do they interact with each other?
- What kinds of jobs do they hold?
- What do they contribute to the creative process?
- What happens if they are in charge of the creative process?
- How do they manage time?
- Are their approaches breakthrough or incremental?
Competing Values Framework™

**Focus**: Values
**Situation**: A community united by shared beliefs, competency is closely linked to unique abilities, strong identification with a lifestyle
**Purposes**: Community and knowledge
**Practices**: Building teams and developing communities, training and coaching, creating shared vision and values, harmonious work environment
**People**: Builds trust, helpful, resolves conflict, empowering, good listener, encourages participation
**Environment**: Harmonious atmosphere, collaborative workplace, informal communication, shared values
**Measures**: Employee satisfaction, employee turnover, training per employee, competency peer review

**Focus**: Vision
**Situation**: Differentiation creates significantly higher margins, a new methodology changes the game, an industry is situated around blockbuster invention
**Purposes**: Innovation and growth
**Practices**: Encouraging radical thinking, launching new ventures, speculating emerging opportunities, launching change initiatives, destroying the old way of doing things
**People**: Visionary, optimistic, generalist, enthusiastic, quick thinker, expressive
**Environment**: Stimulating projects, flexible hours, free from everyday constraints, diverse workforce
**Measures**: Diversity of experiments, new market growth, adoption rate, revenues from new products and services

**Focus**: Process
**Situation**: Organization has large and complex scope and scale, government regulations and standards determine business practices, failure is not an option
**Purposes**: Efficiency and quality
**Practices**: Implementing large scale technology and systems, applying continuous improvement processes, complying with regulations, adhering to standards
**People**: Organized, methodical, technical, practical, objective, persistent
**Environment**: Clear roles, logical objectives, structured work, cohesive work processes
**Measures**: Budget adherence, milestones achieved, number of failures, regulatory compliance

**Focus**: Goals
**Situation**: Shareholder demands are the primary driver, aggressive competition, markets change from mergers and acquisitions, investors demand quick results
**Purposes**: Profits and speed
**Practices**: Managing performance through objectives, investing for increasing rates of return, quickly starting and killing initiatives, quickly confronting problems
**People**: Goal oriented, assertive, driven, accountable, decisive, competitive
**Environment**: High pressure, fast moving, quantifiable results, pay for performance
**Measures**: Gross profit, time to market, return on investment, operating income

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The Competing Values

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Flexible (Divergent)

Collaborate
(Incubate)
LONG-TERM

Create
(Imagine)
BREAKTHROUGH

Control
(Improve)
INCREMENTAL

Compete
(Invest)
SHORT-TERM

Internal Capability

External Opportunity

• Knowledge
• Community

• Innovation
• Growth

• Optimizing
• Quality

• Speed
• Profits

• Innovation
• Growth

• Inception
• Community

• Optimizing
• Quality

• Speed
• Profits

What situations apply

When…
• A community united by shared beliefs defines the organization, such as environmental concerns
• Competency is closely linked to unique individual abilities, such as an entertainer
• Lifestyle identification determines the product or service, such as motorcycles

When…
• Differentiation creates significantly higher margins, such as consumer electronics
• Start-ups compete through radical innovation with incumbent firms
• An industry is situated around blockbuster invention, such as pharmaceuticals

When…
• Scale and scope of organizational processes is very large and complex, such as automobile manufacturers
• Government regulations and standards determine business practices, such as medicine
• Failure is not an option, such as aerospace

When…
• Shareholder demands are the primary driver, such as financial institutions
• Aggressive competition changes the market dynamics through mergers and acquisitions
• Investors demand quick financial results

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**Purposes**

- **Community**: Establishing and maintaining shared values and culture. Common methods: networking, empowerment, and team building.
- **Knowledge**: Developing understanding and skills. Common methods: training, organizational learning, and human resource management.
- **Optimization (Efficiency)**: Using resources in the best way possible. Common methods: procedures, budgeting, and organizational design.
- **Quality**: Eliminating errors. Common methods: process controls, systems, and technology.
- **Innovation**: Making new and better products and services. Common methods: creative problem solving, new product development, and change management.
- **Growth**: Prospecting for new and future market opportunities. Common methods: strategic forecasting, trend analysis, and shared vision management.
- **Speed**: Moving quickly to capture an opportunity. Common methods: mergers and acquisitions, branding, and customer service.
- **Profits**: Maximizing shareholder earnings. Common methods: goals and metrics, strategic resource allocation, and portfolio management.

**Practices**

- Building teams
- Facilitating people
- Developing learning communities
- Encouraging commitment
- Creating a sense of cohesion in the organization
- Establishing shared values between people
- Listening with concern
- Facilitating conflict resolution
- Conserving fiscal resources
- Implementing systems to control complex tasks
- Preventing people from making costly mistakes
- Complying with regulations
- Adhering to professional standards
- Making internal work processes routine
- Using continuous improvement processes
- Employing technology on a large scale
- Encouraging radical creativity
- Seeing the future first
- Destroying the old way of doing things
- Launching ambitious transformational initiatives
- Looking for emerging opportunities
- Stimulating people to think originally
- Conceiving significant new ventures
- Inciting revolution
- Meeting objectives
- Confronting problems as soon as they occur
- Quickly eliminating under performing initiatives
- Overcoming barriers
- Partnering with winners
- Solving problems in real time
- Focusing on performance
- Driving for superior returns on investments
People

- Sees potential
- Builds commitment
- Sensitive and caring
- Creates trust
- Patient listeners
- Encourage participation
- Respects differences
- Empowers people

- Visionary
- Clever
- Optimistic
- Enthusiastic
- Quick on their feet
- Dreamers
- Expressive
- Big-picture thinkers

- Pragmatic
- Organized
- Methodical
- Scientific or technical
- By the book
- Problem solver
- Objective
- Persistent

- Goal oriented
- Action oriented
- Impatient
- Assertive
- Driven
- Decisive
- Challenging
- Competitive

At the Extremes

- Country Club
  - Flexible/Divergent
- Bureaucracy
  - Stable/Convergent
- Sweat Shop
  - External Opportunity
- Anarchy
  - Internal Capability
What Does the Framework Look Like at the Macro Level?

- **Focus:** Values
  - **Situation:** A community united by shared beliefs, competency is closely linked to unique abilities, strong identification with a lifestyle
  - **Purposes:** Community and knowledge
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- **Focus:** Goals
  - **Situation:** Shareholder demands are the primary driver, aggressive competition, markets change from mergers and acquisitions, investors demand quick results
  - **Purposes:** Profits and speed
  - **Practices:** Managing performance through objectives, investing for increasing rates of return, quickly starting and killing initiatives, quickly confronting problems

What Does the Framework Look Like at the Micro Level?

- **People:** Build trust, helpful, resolve conflict, empowering, good listeners, encourage participation
- **Environment:** Harmonious atmosphere, collaborative workplace, informal communication, shared values
- **Measures:** Employee satisfaction, employee turnover, training per employee, competency peer review

- **People:** Visionary, optimistic, generalists, enthusiastic, quick thinkers, expressive
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How Does the Model Work in an Organization?

Differentiate
- Consider the issue by thinking around the four perspectives
  - Who does what where when? Roles? Results?

Integrate
- Integrate the perspectives and develop hybrid practices
  - What are the linkages? Timing? Coordinating practices?

Bottom of the Framework: Focused Approaches

- Look through the microscope
- Manage
  - the plan
  - the portfolio of projects
  - the process
  - milestones
  - hurdle rates
- Exploit existing technology
- Promote low uncertainty
- Focus on cost or feature improvements in existing processes, products or services
- Improve competitiveness within current markets or industries
Top of the Framework: Flexible Approaches

- Look through the telescope
- Consider
  - emergent opportunities
  - diverse experiments
  - future capabilities
  - collaborating with customers
  - discontinuities
- Explore new technology
- Tolerate high uncertainty
- Focus on products, processes or services with unprecedented performance features
- Create a dramatic change that transforms existing markets or industries, or creates new ones

How to Introduce the Framework

Varieties of Application
Typical Structure of a Workshop

- Introduce main theme/topic (e.g., creativity, leadership, collaboration)
- Present model
  - Identify profiles through assessment (e.g., card game, paper assessment)
  - Use basic understanding of profiles (colors) as conduit for explaining the model
- Apply model to topic through activities (e.g., brainstorming) or examples (e.g., relevant organizational issues)

Example

The Creativity Angle
What do you create?

Products, services, processes, expressions, ideas, and people

Which of These Practices Describes an Innovative Firm?

**Company A**
- Encouraging radical ideas
- Seeing the future first
- Destroying the old way of doing things
- Launching ambitious transformational initiatives
- Looking for emerging opportunities
- Stimulating people to think in new ways
- Conceiving significant new ventures
- Revolutionizing the industry

**Company B**
- Conserving fiscal resources
- Implementing systems to control complex tasks
- Preventing people from making costly mistakes
- Complying with regulations
- Adhering to professional standards
- Making internal work processes routine
- Using continuous improvement processes
- Employing technology on a large scale
Company A: Fluke

- World leader in test tools and software
- Open-ended challenge of innovation
  - Phoenix teams created with people from all areas of the firm
  - 100 days and $100K to generate new product proposals
  - Real world is their lab; new products come from customer visits
  - Leverage problem solving into products and services
- Four principles
  - Live with customers, don’t study them from afar
  - Value curiosity over expertise
  - Innovation is the sole focus (war rooms, no other assignments)
  - Independence (act like a self directed, wholly-owned business)
- New products (3 yrs. or less) account for 40% of total revenue
- Self perpetuating, customer-driven innovation

Company B: Toyota

- Toyota introduced or perfected many of the leading system and process tools for design and development
  - Continuous improvement, flexible platform manufacturing systems, mass customization, just-in-time inventory, lean manufacturing, supply chain improvement, and business process and partner integration
- Highly integrated processes of development and execution
- Not only survived the Asian currency crisis, it increased its market share
- Went from small to mid-size to luxury cars in a decade
- World class engineering and manufacturing
Why are these both creative?

- Experience and experiments
  - Find clients who are in a crisis or who represent a crisis to the firm
  - Radical innovation happens at the boundaries of an organization, where crisis or success dominates
  - Immerse themselves in an opportunity for discovery
  - Problems solved become products
  - They invent the future, projecting the future needs of future customers

- Deconstruct to reconstruct
  - Take apart the product, service, or process
  - Ask, “How does it really work? What else can it do? How can it be improved?”
  - Create the underlying system that allows you to do it all over again and again—faster, cheaper, and better (platforms)
  - Test, improve, test, improve, test, improve
  - Create simple rules and focus on them

How Do These Types of Practices Produce Competitive Advantage?

Incremental Innovation

- Relative Delivered Price for Comparable Quality

Breakthrough Innovation

- Relative Uniqueness for Market Segments
Can’t a Firm Do Both?

- Very few companies are able to do both
- Between 1950 and 1980, Sony invented faster than competitors could copy
  - Experimentation and the intuition of Morita’s team produced emerging technologies and markets
  - Introduced 12 disruptive technologies, including radios, TVs, VCRs, Walkmans
- After 1980, Sony relied on data-intensive, analytical processes
  - Innovative products such as the PlayStation and the Vaio notebook were late market entries
  - When Sony became a “well run” company, it lost its ability for breakthroughs

(Clayton Christensen, MIT Technology Review, 2002)

New Year’s resolutions

- Appropriate practices are required to produce desired purposes.
  - *How* you act is *what* you produce.

- Practices are choices.
  - They reflect where you put your time, money, and effort...and where you don’t.
Examples

People, Products, Approaches
(Your ideas are welcome, too!)

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**Product Examples**

- **Collaborate (long-term)**
- **Create (breakthrough)**
- **Control (incremental)**
- **Compete (short-term)**

**Key Approaches**

**Social Approaches**
- Networks and alliances (Search and reapply, etc.)
  - eBay
- Communities of practice (Knowledge management, etc.)
  - Linux
- Customer service and experience
  - Singapore Air

**Generative Approaches**
- Design and fashion
  - Apple (iPod)
- Integrating emerging technology
  - Celera
- Market making
  - IBM (Anticipatory solutions)

**Technological Approaches**
- Products (Performance, etc.)
  - Samsung
- Processes (Development, distribution, etc.)
  - Wal-Mart
- Platforms (Technology, etc.)
  - Nokia

**Business Approaches**
- Business model
  - Deli
- Marketing and brand
  - Nike
- Channel and delivery
  - Amazon
Applying the Framework

Layering onto Concepts

Example

Failure to align
Example: Reengineering

- **The Promise:**
  - becoming nimble
  - satisfying customers
  - empowering employees

- **The Reality**
  - layoffs
  - demoralization
  - failure

- **What happened?**

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**Reengineering promises**

- **Collaborate**
  - Empowering employees
  - Analysis
  - Building systems
  - Redesign

- **Create**
  - Becoming nimble

- **Control**
  - Satisfying customers

- **Compete**

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Creating an Aligned Approach to Innovation

1. Purposes – Outcomes, or the value the organization intends to create

2. Practices – Culture, competency, and processes of the organization

3. Personal – You, a leader, an individual

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Types of People

Creating the Right Work Environment

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Incubate characteristics

Positive Characteristics
- See potential in people
- Build commitment
- Sensitive and caring
- Creates trust
- Thoughtful
- Helpful
- Patient listeners
- Encourage participation
- Friendly and cooperative
- Respects differences
- Empowers people
- Resolves conflict

Negative Characteristics
- Martyrs
- Chameleons
- Coerive
- Pedantic
- Aloof
- Patronizing
- Contagious
gloominess

Characteristics
- Incubate leadership
- Incubate characteristics
- Build teams
- Think of others first
- Listen with concern
- Establish mutual understanding
- Create open communication
- Create a sense of cohesion in
Ideal Working Conditions
- Family atmosphere
- Collaborative work
- Shared values and vision
- Calm and therapeutic work space
- Time to reflect
- Friendly coworkers
- Integrate personal and professional goals
- Agreed approaches for resolving conflicts
- Limits on personal demands

Preferences
- Establish shared values
- Build teams
- Develop a community
- Generate a common mindset
- Create a sense of cohesion in
the organization
- Collaborate on projects
- Listen with concern
- Establish mutual understanding
- Create open communication

Typical Work Settings
- Human resources
- Training and development
- Customer service
- “Lifestyle” firms that offer daycare,
exercise facilities, caterers, etc.
- Not-for-profits
- Service professions (e.g., nursing,
counseling, teaching, and ministries)
- Volunteering time for causes they
believe in

How to Work with Incubate People
- Be informal
- Build rapport and trust
- Think of others first
- Show your emotions and look for theirs
- Listen
- Ask how they feel about an idea
- Offer your assistance and support
Invest characteristics

<table>
<thead>
<tr>
<th>Positive Characteristics</th>
<th>Negative Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal oriented</td>
<td>Excessive</td>
</tr>
<tr>
<td>Action oriented</td>
<td>Confrontational</td>
</tr>
<tr>
<td>Impatient</td>
<td>Bossy</td>
</tr>
<tr>
<td>Assertive</td>
<td>Raging</td>
</tr>
<tr>
<td>High achiever</td>
<td>Overbearing</td>
</tr>
<tr>
<td>Driven</td>
<td>Stressful</td>
</tr>
<tr>
<td>Decisive</td>
<td>Manipulative</td>
</tr>
<tr>
<td>Challenging</td>
<td>Workaholic</td>
</tr>
<tr>
<td>Tough</td>
<td></td>
</tr>
<tr>
<td>Competitive</td>
<td></td>
</tr>
<tr>
<td>High energy</td>
<td></td>
</tr>
<tr>
<td>Accountable</td>
<td></td>
</tr>
</tbody>
</table>

Preferences
- Model, decisive action
- Emphasize goals
- Working their way to the top
- Moving from company to company in search of power and prestige
- Drive for superior returns on investments
- Confront problems as soon as they occur
- Quickly address new difficulties
- Provide fast responses to new issues
- Focus on intended results
- Meet objectives

Invest leadership

Ideal Working Conditions
- Competitive
- With a big, direct impact
- Fast moving
- Deal making
- Image enhancing
- With quantifiable results
- With winners
- Where success is rewarded
- High energy

How to Work with Invest People
- Focus on achieving their goals
- Stick to business
- Show them the money
- Get to the point
- Let them own their work
- Be decisive
- Just the facts
- Provide a few clear and logical choices
- Focus disagreements on the facts, and away from personalities
**Improve characteristics**

**Preferences**
- Conserve fiscal resources
- Find ways to save money
- Make disciplined financial allocations
- Prevent people from making costly mistakes
- Routinize internal work processes
- Implement complex work systems
- Use technologies
- Working to perfect their specialty

**Typical Work Settings**
- Operations management
- Engineering
- Legal departments
- The military
- Medicine
- The sciences
- Computer and information services
- A company that provides a stable work environment

**Positive Characteristics**
- Pragmatic
- Organized
- Methodical
- Detailed
- Precise
- By the book
- Cautious
- Problem solver
- Objective
- Scientific or technical
- Persistent
- Follows orders
- Meticulous
- Disciplined

**Negative Characteristics**
- Self righteous
- Judgmental
- Rigid
- Insensitive
- Suspicious
- Blaming
- Stubborn

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**Improve leadership**

**Ideal Working Conditions**
- Clear roles and responsibilities
- Stability
- Clear objectives, operating processes, and standards
- Ordered and structured work environment
- Respect for superiors
- Adequate time to complete complex projects correctly
- Access to technology, tools, and data

**How to Work with Improve People**
- Present the facts methodically
- Be specific
- Show the data and details
- Ask for their suggestions
- Create a project plan and timeline, and show the steps
- Be punctual
- Make contingency plans
- Reduce the risk
- Agree to check off with superiors
- Fit ideas within existing operating plans
Imagine characteristics

Positive Characteristics
- Clever
- Optimistic
- Enthusiastic
- Quick
- Dreamers
- Expressive
- Opinionated
- Big-picture thinkers
- Planners
- Generalists
- Passionate
- Visionary

Preferreces
- Stimulate others to think originally
- Support people with innovative notions
- Envision ambitious change efforts
- Reward new ideas
- Conceive significant new ventures
- Design bold organizational initiatives
- Propose dramatic strategies
- Imagine the future
- Moving from company to company in search of new projects and challenges

Negative Characteristics
- Reckless
- Superficial
- Unrealistic
- Unrealistic
- Amateurs
- Short attention span
- Poor follow-through
- Idealoholic
- Conflict averse

Typical work settings
- Marketing
- New product development
- Strategy
- The arts
- Working for themselves or for a start-up

Imagine leadership

Ideal Working Conditions
- Stimulating
- Flexible
- Informal
- Free from everyday constraints
- Stimulating new people, projects, and information
- Independent
- Diverse

How to work with Imagine People
- Play with them
- Share their enthusiasm and vision
- Be stimulating
- Bring new ideas to talk about
- Avoid details
- Help them put their ideas into action
- Recognize their accomplishments
### Preferred Environments

<table>
<thead>
<tr>
<th>Family atmosphere</th>
<th>Stimulating projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative workplace</td>
<td>Flexible hours</td>
</tr>
<tr>
<td>Shared values and vision</td>
<td>Free from everyday constraints</td>
</tr>
<tr>
<td>Integrates personal goals</td>
<td>New initiatives</td>
</tr>
<tr>
<td>Informal</td>
<td>Independent work streams</td>
</tr>
<tr>
<td>Teaching and coaching</td>
<td>Diverse workforce</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clear roles and responsibilities</th>
<th>Competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stable project management</td>
<td>High pressure and impact</td>
</tr>
<tr>
<td>Logical objectives</td>
<td>Fast moving and high energy</td>
</tr>
<tr>
<td>Methodical processes</td>
<td>Image enhancing deal making</td>
</tr>
<tr>
<td>Standards and regulations</td>
<td>Quantifiable results</td>
</tr>
<tr>
<td>Ordered and structured work</td>
<td>Winners and losers</td>
</tr>
</tbody>
</table>

### Preferred Communication

<table>
<thead>
<tr>
<th>Talk about personal experiences</th>
<th>Be enthusiastic and energetic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tell stories</td>
<td>Look at the big picture</td>
</tr>
<tr>
<td>Smile</td>
<td>Expect to be interrupted in mid-sentence</td>
</tr>
<tr>
<td>Express emotions</td>
<td>Draw concepts</td>
</tr>
<tr>
<td>Put the person at ease</td>
<td>Use metaphors</td>
</tr>
<tr>
<td>Think out loud</td>
<td>Look at the future</td>
</tr>
<tr>
<td>Use nonverbal gestures</td>
<td>Make it conceptually sound and clear</td>
</tr>
<tr>
<td>Acknowledge the role of intuition</td>
<td>Ask open ended questions</td>
</tr>
<tr>
<td>Recognize important spiritual symbols</td>
<td>Explore how the pieces fit together</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provide details</th>
<th>Get to the point and summarize</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be neat and on-time</td>
<td>Be logical and analytical</td>
</tr>
<tr>
<td>Follow the rules</td>
<td>Critically confront the downside</td>
</tr>
<tr>
<td>Explain in sequential order</td>
<td>Use quantifiable facts to illustrate points</td>
</tr>
<tr>
<td>Conform to accepted esprit de corps</td>
<td>Be very matter-of-fact</td>
</tr>
<tr>
<td>Ask close ended questions</td>
<td>Don’t get emotional</td>
</tr>
<tr>
<td>Provide detailed data</td>
<td>Show personal ownership</td>
</tr>
<tr>
<td>Demonstrate how it works</td>
<td>Demonstrate a biased towards action</td>
</tr>
</tbody>
</table>
Types of Organizations

The Essence of Values

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Examples of Organizations

<table>
<thead>
<tr>
<th>Bloomsbury</th>
<th>Fluke</th>
<th>P&amp;G</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Small independent publisher in an industry of monolithic firms</td>
<td>- World leader in test tools and software</td>
<td>- World leader in consumer products</td>
</tr>
<tr>
<td>- Has published everything from Microsoft’s Encarta reference series to Harry Potter</td>
<td>- Open-ended challenge of innovation</td>
<td>- Global brand management with extensive customization</td>
</tr>
<tr>
<td>- Vision of being different and making a difference, publishing writers such as Nadine Gordimer and Salman Rushdie</td>
<td>- Self-perpetuating, customer-driven innovation</td>
<td>- Well-funded corporate programs to increase innovation</td>
</tr>
<tr>
<td>- Focuses on developing good writers into great writers</td>
<td>- Leverages problem solving into products and services</td>
<td>- Consumer programs to help them make new products and improve existing ones</td>
</tr>
<tr>
<td></td>
<td>- “Live with customers, don’t study them from afar”</td>
<td>- Extensive portfolio management process to pick winners most of the time</td>
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<td>- Values curiosity over expertise</td>
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</tbody>
</table>

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Types of Organizations

- Universities
- Consulting firms
- Not-for-profits

Examples
- McKinsey and Co
- Patagonia
- Harley Davidson
- eBay
- Greenpeace

- Start-ups
- Biotechnology companies
- Trendsetters

Examples
- Pixar
- Apple
- Google
- Nokia
- Versace

- Government agencies
- Medical centers
- Military units
- High-reliability organizations

Examples
- Wal-Mart
- Boeing
- Shell Oil
- Siemens

- Blue chip firms
- Conglomerates
- Financial institutions

Examples
- Microsoft
- GE
- Bloomberg
- PepsiCo
- Citicorp

Preferred Questions

- **Interest**: Do we care about this idea?
- **Knowledge**: What are we learning from this idea?
- **Beliefs**: Does this idea fit with our values?

- **Cost**: Can we afford this idea?
- **Feasibility**: Can we really implement this idea?
- **Standards**: Does this idea comply with critical standards?

- **Innovation**: Is this idea a breakthrough?
- **Direction**: Does this idea move us toward the future?
- **Emerging opportunity**: Will this idea allow us to experiment as we go along?

- **Cash value**: Is the payoff for this idea big enough?
- **Immediacy**: Can we get this idea done quickly?
- **Leverage**: Can this idea be used to create value in other areas?
Throughout the Organization

What Happens and When

Preferred Methods

<table>
<thead>
<tr>
<th>Team building</th>
<th>Strategic forecasting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning organization</td>
<td>Branding</td>
</tr>
<tr>
<td>Mentoring and coaching</td>
<td>Spin-offs</td>
</tr>
<tr>
<td>Organizational competency development</td>
<td>Entrepreneuring</td>
</tr>
<tr>
<td>Customer focus groups</td>
<td>Marketing strategy</td>
</tr>
<tr>
<td>Cross functional teams</td>
<td>Change programs</td>
</tr>
<tr>
<td>Recruiting and succession planning</td>
<td>New product development</td>
</tr>
<tr>
<td>Training</td>
<td>Radical experiments</td>
</tr>
<tr>
<td>Total quality management</td>
<td>Mergers and acquisitions</td>
</tr>
<tr>
<td>Reengineering</td>
<td>Economic value added</td>
</tr>
<tr>
<td>Lean manufacturing</td>
<td>Performance management by objectives</td>
</tr>
<tr>
<td>Just-in-time</td>
<td>Rewards and incentives</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>Competitive simulations</td>
</tr>
<tr>
<td>Cost accounting</td>
<td>Sales channel management</td>
</tr>
<tr>
<td>Reorganization</td>
<td>Pricing strategy</td>
</tr>
<tr>
<td>Supply chain management</td>
<td>Portfolio management</td>
</tr>
</tbody>
</table>

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The CVF over time

Time

Create & Design | Plan & Develop | Staff & Train | Test & Scale

Putting the pieces together

- What is our *purpose* for innovation?
- What *practices* do we need to produce this result?
- What *people* do I need to perform these practices?

Purposes | Practices | People
So what’s a firm to do?

- Differentiate and align
  - Pick your purpose and develop practices that are aligned
  - Some businesses are straightforward (e.g., investment banking)
- Hedge and balance
  - Diversify your purposes and practices because you never know
  - Some businesses are unpredictable (e.g., fashion clothing design)
- Integrate opposing practices
  - Create new approaches and hybrid practices
  - Keep an eye on implicit biases of routine organizational practices

Ambidextrous Organizations

- Separate exploratory units from traditional units
  - Allow unique processes, structures, and cultures
  - Coordinate these units with others, through senior management
  - Ensure access to established resources—cash, talent, customers—and simultaneously shield the units from “business as usual.”
- Traditional units maintain their focus on refining operations, improving products, and serving customers.
- Nine times more likely to create breakthrough products and processes while sustaining or even improving existing businesses.
Idea Generation

Brainstorming

Divergence and Convergence

Diverge
- Open questions
- Tell stories to share experiences
- Create visions and symbols
- Launch experiments
- Engage the mind
- Create energy and momentum
- The art of possibility

Converge
- Closed questions
- Consult experts to get the facts
- Develop systems and measures
- Validate through tests
- Engage the hands
- Create processes and plans
- The science of reality
Differentiate then Integrate

1. Use breakout groups to divide and conquer by thinking around the four perspectives

2. Integrate the breakout groups and perspectives to develop hybrid practices

Who to include

<table>
<thead>
<tr>
<th>Teachers</th>
<th>Communications</th>
<th>Counselors</th>
<th>Dreamers and visionaries</th>
<th>Fashion trend setters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listeners</td>
<td>Conflict mediators</td>
<td>Listeners</td>
<td>Creative actors</td>
<td>Big picture thinkers</td>
</tr>
<tr>
<td>Community builders</td>
<td></td>
<td></td>
<td></td>
<td>Experimenters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planners</th>
<th>Organizers</th>
<th>Analysts</th>
<th>Competitors</th>
<th>Decision makers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technicians and scientists</td>
<td>Methodical problem solvers</td>
<td>Professionals</td>
<td>Goal oriented achievers</td>
<td>Sprinters</td>
</tr>
<tr>
<td>Teachers</td>
<td>Communicators</td>
<td>Counselors</td>
<td></td>
<td>Political game masters</td>
</tr>
<tr>
<td>Listeners</td>
<td>Conflict mediators</td>
<td>Listeners</td>
<td></td>
<td>Deal makers</td>
</tr>
</tbody>
</table>
Think About the Challenge from the Four Points of View

- Values
  - Hiring and staffing
  - Work environment
  - Informal networks
  - Communication
  - Training and development
  - Mentoring and coaching
  - Empowerment
  - Work-life balance
  - Resolving conflicts
  - Teamwork

- Standards
  - Large scale operations
  - Quality programs
  - Continuous improvement processes
  - Government regulations
  - Policies and procedures
  - Organizational structure
  - Project management
  - Information systems
  - Technology

- Experiments
  - Speculating new markets
  - Radical change projects
  - Envisioning the future
  - Entrepreneuring
  - Spin-offs
  - New products and services
  - Destroying current practices
  - Going around authority and boundaries
  - Widening the type and array of projects
  - Bringing in weird people

- Strategy
  - Financial measures
  - Acquisitions and mergers
  - Eliminating unproductive initiatives
  - Paying for performance
  - Sales and marketing
  - Portfolio management
  - Resource allocation
  - Quick decision making
  - Rapid deployment teams

Revisit the Profiles

- Examine key components to each view
  - Situation
  - Purposes
  - Practices
  - People

- Support each view’s preferences
  - Environment
  - Questions
  - Communication
Integrate Points of View

Integrate Compete with Collaborate  Integrate Control with Create

Integrate Create with Control  Integrate Collaborate with Compete

Diagnosis

Using the Assessment to Understand Differences or Alignment Issues

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Practices Profile: Current

Plot your score on the diagonals and connect the dots

Create
Score 6

Compete
Score 16

Control
Score 16

Collaborate
Score 12

Purposes Profile: Desired

Plot your score on the diagonals and connect the dots

Create
Score 16

Compete
Score 18

Control
Score 6

Collaborate
Score 10
Overlay: Current & Desired

Plot your score on the diagonals and connect the dots

Collaborate
Score 10

Create
Score 66

Control
Score 66

Compete
Score 18

Action Plan

- Start
- Stop
- Change
- Needs

- Start
- Stop
- Change
- Needs

- Start
- Stop
- Change
- Needs

- Start
- Stop
- Change
- Needs

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### Related Frameworks

Social Style Model (Merrill & Reid 1984)

- Social style: a pattern of observable behavior that
  - Reflects our habitual ways of interacting with others
  - Can be used to understand and anticipate people’s motivations, needs, and actions

- Benefits
  - Simple: two dimensions generate four styles
  - Observable: based on interaction behaviors
  - Valid and reliable: supported by research
  - Dynamic: promotes versatility and expansion
  - Generalizable: applicable to most contexts and situations.

Social Style Types

<table>
<thead>
<tr>
<th>Amiable</th>
<th>Expressive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supportive</td>
<td>Enthusiastic</td>
</tr>
<tr>
<td>Respectful</td>
<td>Social</td>
</tr>
<tr>
<td>Friendly</td>
<td>Dramatic</td>
</tr>
<tr>
<td>Cooperative</td>
<td>Spontaneous</td>
</tr>
<tr>
<td>Personal</td>
<td>Creative</td>
</tr>
<tr>
<td>Empathic</td>
<td>Visionary</td>
</tr>
<tr>
<td>Relationship-centered</td>
<td>People-centered</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analytic</th>
<th>Driver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cautious</td>
<td>Direct</td>
</tr>
<tr>
<td>Reserved</td>
<td>Assertive</td>
</tr>
<tr>
<td>Serious</td>
<td>Concise</td>
</tr>
<tr>
<td>Accurate</td>
<td>Decisive</td>
</tr>
<tr>
<td>Detailed</td>
<td>Efficient</td>
</tr>
<tr>
<td>Logical</td>
<td>Practical</td>
</tr>
<tr>
<td>Idea-centered</td>
<td>Task (action)-centered</td>
</tr>
</tbody>
</table>

Less Responsive

Less Assertive

More Responsive

More Assertive
### Communicate Appropriately

<table>
<thead>
<tr>
<th>Communicate by:</th>
<th>Communicate by:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use experiences that relate to the audience</td>
<td>• Look at the big picture</td>
</tr>
<tr>
<td>• Use examples to illustrate the point</td>
<td>• Make it colorful and visual</td>
</tr>
<tr>
<td>• Be helpful and user friendly</td>
<td>• Use metaphors</td>
</tr>
<tr>
<td>• Acknowledge emotional issues</td>
<td>• Look at the future</td>
</tr>
<tr>
<td><strong>Expect them to:</strong></td>
<td>• Make it conceptually sound and clear</td>
</tr>
<tr>
<td>• Have an animated face - eyes flash, etc.</td>
<td></td>
</tr>
<tr>
<td>• Use expansive nonverbal gestures</td>
<td></td>
</tr>
<tr>
<td>• Use stories to illustrate points</td>
<td></td>
</tr>
<tr>
<td>• Talk out loud or to self to learn</td>
<td></td>
</tr>
<tr>
<td><strong>Communicate by:</strong></td>
<td><strong>Expect them to:</strong></td>
</tr>
<tr>
<td>• Provide details</td>
<td>• Ask questions that lead to other questions: Why? How?</td>
</tr>
<tr>
<td>• Be neat</td>
<td>• Speak in phrases</td>
</tr>
<tr>
<td>• Follow a sequential order</td>
<td>• Stop in mid-sentence thinking others obviously know</td>
</tr>
<tr>
<td>• Use a recognizable “appropriate” form</td>
<td></td>
</tr>
<tr>
<td><strong>Expect them to:</strong></td>
<td></td>
</tr>
<tr>
<td>• Ask questions that have answers: Who? What?</td>
<td></td>
</tr>
<tr>
<td>• Speak in sentences and paragraphs</td>
<td></td>
</tr>
<tr>
<td>• Complete sentences and paragraphs</td>
<td></td>
</tr>
<tr>
<td><strong>Communicate by:</strong></td>
<td><strong>Expect them to:</strong></td>
</tr>
<tr>
<td>• Be neat</td>
<td>• Use facts</td>
</tr>
<tr>
<td>• Be to the point</td>
<td>• Show clear analysis</td>
</tr>
<tr>
<td>• Be logical</td>
<td>• Be logical</td>
</tr>
<tr>
<td>• Be quantified</td>
<td>• Be very matter-of-fact</td>
</tr>
<tr>
<td><strong>Expect them to:</strong></td>
<td>• Express emotions abstractly</td>
</tr>
<tr>
<td>• Use facts to illustrate points</td>
<td>• Appear to display little or no emotion regardless of the situation</td>
</tr>
<tr>
<td>• Use stories to illustrate points</td>
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### The Denison Model of Culture and Leadership

How else can you apply this?

How is this relevant in a university setting?

Questions?

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