



*Introduction to the  
Global Values Indicator*

February 2015



## Assessing the values-behaviour gap in organisations

This booklet will provide you with a working understanding of the rationale and theory behind Glowinkowski International Limited's (GIL) Global Values Indicator (GVI) and its relation to organisational performance. The GVI and an associated change management programme is being developed as part of a collaboration between researchers at the University of Essex and consultants at GIL, known as a Knowledge Transfer Partnership (Innovate UK), born from a shared desire to explore and promote values in the corporate realm.

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### Values & Organisational Performance

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#### Values, Climate & Behaviour

How do values relate to an organisation's performance? At GIL we have explored this question over many years and firmly position values as a core concept in The Glowinkowski™ Integrated Framework, shown in Figure 1. Our Framework shows how an organisation's intent, i.e. its Purpose and Strategic Objectives is translated into Business Performance outcomes. These outcomes are dependent upon Climate, i.e. 'how it feels' to work here and our research has shown that it is Climate that distinguishes outstanding performing organisations from average ones.

Organisational Climate is driven by three 'change lever' inputs relating to how the organisation is structured, how its leaders behave and how its critical processes are managed. Crucially, underlying and guiding these change levers are values, the values of the organisation, the values of leaders and the values of every employee. Thus, an organisation is much better placed to realise its Purpose, Strategic Objectives and enhance its Business Performance when there is congruence between the organisational values and the values endorsed and demonstrated by its people.

Certainly every employee has a responsibility to his or her organisation to demonstrate values in practise but leaders authentic respect and explicit demonstration of values is key. In other words it is easy to imagine how a mismatch between the stated organisational values ("what we say we do") and the behaviour and actions of the organisation ("what we actually do") can have a negative impact on organisational Climate, employee engagement and ultimately Business Performance. We call the degree of this mismatch, the 'value-behaviour gap'.

# What are Values?

## Values & Corporate Responsibility

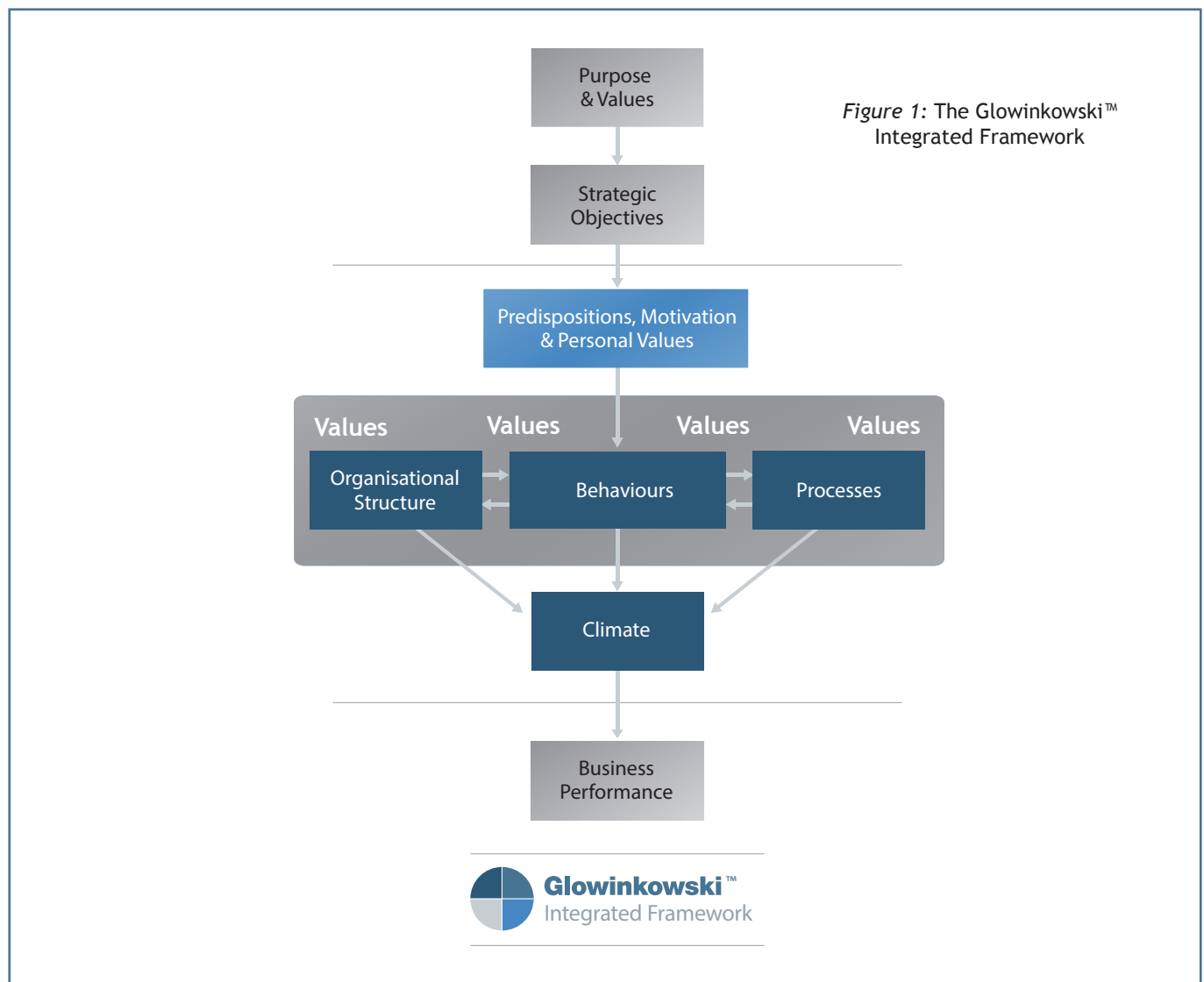
Values represent a core aspect of the human psyche. They are a set of deep seated beliefs that bear a heavy influence on individual's motivations, decisions, evaluations and behaviour. Values form the standards that we use to judge what is important, what is right and what is wrong in the world around us. Values have also been shown to play a key role in life satisfaction.

To look at values in the corporate context, many organisations now define and publish their own set of values that highlight what the organisation stands for or believes in. Typically these represent a set of guiding principles and standards for the employee body to strive for.

Often coupled with organisational values is the concept of Corporate Social Responsibility (CSR) which has become a major priority and strategic agenda for corporations

over the past 60 years. CSR tends to be a set of proactive commitments that an organisation makes to consciously behave in a way that meets a socially ethical standard and benefits the community and environment in some way. Organisations are made accountable for these commitments through annual CSR reports that document and communicate exactly how these pre-defined sets of commitments have been fulfilled.

An organisation that is truly 'values-driven', that genuinely and consistently demonstrates values in practise is also likely to be a socially responsible one. Therefore a key challenge for organisations is to ensure that they are really 'living' their values. Examples of corporate scandals in recent as well as more distant years highlight the devastating consequences that failing to live values has for an organisations bottom line, reputation and public trust.



### The Global Values Indicator

The GVI is a questionnaire designed to isolate and evaluate the extent to which an organisation is actually behaving in accord with certain values. It has been developed alongside a framework that encapsulates the values most frequently advocated by major organisations around the world and those depicted in various theoretical models.

#### Establishing a Values Framework

As part of the research development of this tool, a major literature review was conducted to explore the social understanding of ethics in the world today. This review included an evaluation of theoretical ethics (i.e. Deontology and Consequentialism), social psychological values models (i.e. Schwartz Universal Values), and an exploration into the stated values of FTSE-100 and FT Global companies. From this research, we have created the Global Values Framework that consists of six core values encapsulating 18 individual indicators of organisational values. A full overview of this framework is presented on the following page.

This framework represents a set of values and principles that, if demonstrated in practise, should benefit organisations across all sectors. In other words, this values framework can be applied to any type of organisation, team or structure within their own unique context.

Importantly however, the GVI can also be adapted to assess any preexisting and explicitly stated values framework that forms part of an organisations current strategic vision. In this way, the GVI can also be used to establish how well an organisation's own set of published values is integrated and demonstrated in practise.

#### Measuring the Values-Behaviour Gap

While an organisation may have an integrated set of corporate values, there is sometimes a mismatch between the published values and the values that are actually lived out in day-to-day activity. While this may be a concern for many organisations, it might not be apparent to its leaders exactly how they are failing in this regard. Thus, without knowing what aspects of their operations are violating key corporate values, it will be difficult to change. To bridge this gap in knowledge, two fundamental issues must be explored:

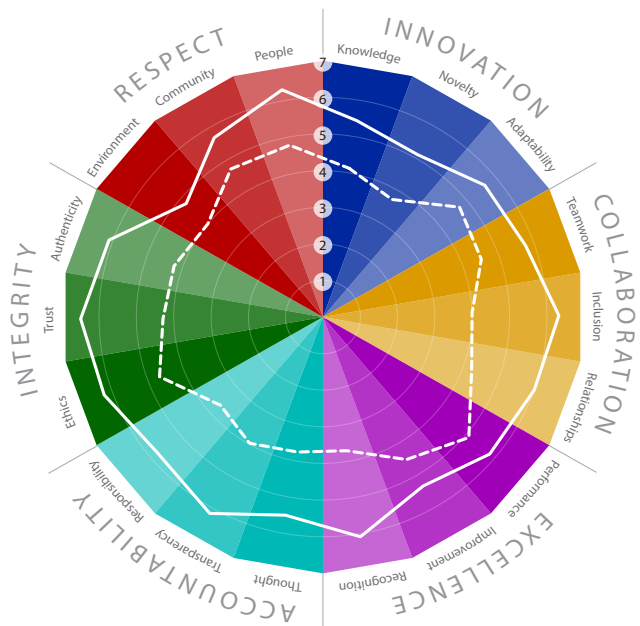
1. The extent to which the organisation actually demonstrates values in practise
2. The extent to which employees consider it important that these values be demonstrated

Only after considering these two aspects can the extent of the value-behaviour gap be determined and strategies to resolve any discrepancies put in place. The GVI will therefore enable leaders to establish what areas they need to work on to align their actions more closely with both the organisation's and employees' values and ideals.

The GVI aims to identify specific value-behaviour gaps and provide pointed feedback on ways the company can bridge this divide.

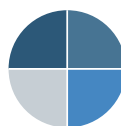
It achieves this through a quantitative data collection approach. Specifically, questionnaires are distributed to employees across the whole organisation to gain a comprehensive picture of the value culture by asking them to rate a number of value statements. Section A determines the degree to which the employees perceive the organisation to be demonstrating values in practise, and Section B asks employees to rate how important it is to *them* that these values are demonstrated by the organisation.

The data are aggregated and presented in various visual data formats to allow for a clear and simple assessment of the values-behaviour gap, as in the example in the figure below.



#### Summary

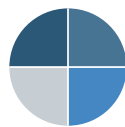
In an increasingly globalised and 'connected' world, within the business sphere accountability and strong core values are more important than ever. Companies behaving more responsibly and consistently in line with these values have the potential to enhance the lives of their employees, the wider community and environment in addition to boosting their organisational performance and revenue. The Global Values Indicator aims to provide the means to tackle this crucial corporate challenge.



# The Global Values Framework

GIL's Global Values Framework consists of six core values that encapsulate 18 individual indicators of organisational values as described in the table below. For each of these values, the GVI assesses the extent to which employees feel that their organisation demonstrates a commitment to that value as well as the extent to which they feel it is important to them that the organisation does so. The level across all values, of value demonstration and value importance can be represented visually providing a clear indication of how an organisation is succeeding or failing to live up to its values.

VALUE	INDICATOR	
<b>INNOVATION</b> demonstrates a commitment to the use of specialist knowledge and technology to be an organisation that is creative and novel, and that can adapt to changing needs and demands	<b>Knowledge</b>	makes use of specialist knowledge and technology
	<b>Novelty</b>	is creative and fresh in their thinking
	<b>Adaptability</b>	is flexible and open to change
<b>COLLABORATION</b> demonstrates a commitment to valuing the contribution of people as individuals and as a team and fosters positive relationships in the workplace	<b>Teamwork</b>	works together as a team
	<b>Inclusion</b>	values the contribution of each individual
	<b>Relationships</b>	promotes positive relationships at work
<b>EXCELLENCE</b> demonstrates a commitment to working to the best possible standard, seeking continual improvement and recognising those who perform well	<b>Performance</b>	strives to be the best in what they do
	<b>Improvement</b>	looks for ways to exceed standards
	<b>Recognition</b>	recognises and rewards good performance
<b>ACCOUNTABILITY</b> demonstrates a commitment to thinking carefully before acting, communicating and sharing information openly, and accepting ownership of their actions and associated consequences	<b>Thought</b>	thinks and deliberates carefully before taking action
	<b>Transparency</b>	communicates openly and clearly
	<b>Responsibility</b>	takes responsibility for their actions
<b>INTEGRITY</b> demonstrates a commitment to doing and standing by what is right and being an honest and trusted organisation that keeps its promises	<b>Ethics</b>	is ethical and does what is right
	<b>Trust</b>	is honest and trusted
	<b>Authenticity</b>	follows through on promises and commitments
<b>RESPECT</b> demonstrates a commitment to being respectful, considerate and caring in their work, to the environment, community and people they work with	<b>Environment</b>	limits their environmental impact
	<b>Community</b>	is considerate to local communities
	<b>People</b>	cares for the well-being, safety and satisfaction of employees, suppliers and customers



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