

Purpose.

Issue 2

In this issue

How people
power purpose

—
Richard Barrett
on commitment

—
Three questions to
ask about your values

VALUES FOR THE WIN

HOW CULTURE
CREATES
PURPOSEFUL
ADVANTAGE.





PURPOSE WORKS.

The evidence shows that people want to buy from, work for, invest in and partner with businesses they believe in: businesses that have a clear sense of purpose beyond profit.

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WELCOME TO ISSUE 2 OF PURPOSE.

It's our great pleasure to bring you the second issue of Purpose magazine. Many thanks to all of you who offered constructive feedback on our first issue - we are very happy to hear that the theme of purpose and performance has resonated with so many people.

Our second issue is all about people and values.

On 20 October, we joined people and organisations around the world in celebrating World Values Day: sharing what is important to us and what steps we will take in order to live our values more fully, both as individuals and as a team.

It was fascinating to see so many people talking openly about their values (search the Twitter hashtag #WorldValuesDay to be inspired).

It also served as a powerful reminder that purpose alone is not enough.

That's because it takes people to drive purpose. A strong sense of purpose and an ethical, future-focused mission is no guarantee of a functioning team or a healthy culture. For many purposeful businesses, values are the missing half of the equation.

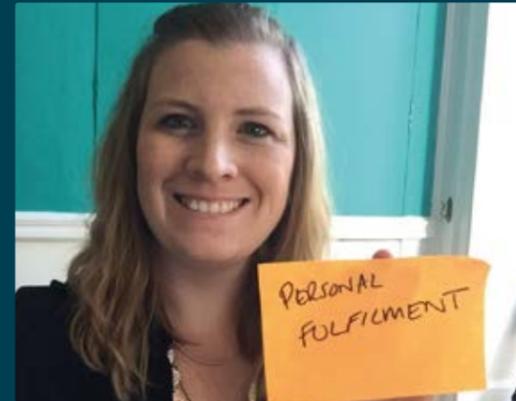
In this issue, we share insights and tools that will help make "what's important to me" align with "what's important to us". We also pose the question that every purposeful leader must ask: what are values for? How can our values activate our purpose and drive performance?

World Values Day came hot on the heels of the Barrett Values Centre's international conference in Toronto, which our co-founder Graham Massey attended (see page 4). Consciousness about culture and values, both at an individual and community level, was high on the agenda. We are also very pleased to feature a guest column from Richard Barrett himself on page 7.

We hope you find this latest issue thought-provoking and inspiring. As always, we would love to hear from you.

#WorldValuesDay

The House team sharing our personal values on World Values Day, 20 October 2016. Clockwise from top-right: Sam Dyer, Head of Design, Steve Fuller, Creative Head, Oliver Holtaway, Head of Communication, Graham Massey, Head of Business, Sammy Burt, Head of Performance.



A POSTCARD FROM TORONTO.

By Graham Massey, co-founder of The House



“
Culture has become one of today’s most important business topics. Business leaders know that culture drives people’s behaviour, product and service innovation and customer experience.
”

Graham Massey, co-founder of The House

In September, I travelled to Toronto to attend the Barrett Values Centre’s 2016 Cultural Transformation International Conference.

This is a place for leaders and cultural practitioners to share powerful stories, ideas, methods and examples of values-driven leadership and cultural transformation in business and society.

Delegates and speakers from Whole Foods, PwC and Mastercard rubbed shoulders with community organisers, cultural anthropologists and innovative educators. I came away buzzing and inspired by the warmth of the people I met and the breadth of perspectives I encountered.

When you have an amazing experience like this, I think it’s always a good exercise to give yourself a couple of weeks to enjoy the post-conference euphoria and then ask yourself, what’s really stuck? What remains memorable?

One phrase continues to echo in my mind: “The end is in the beginning”. This is how Elder Peter Schuler welcomed us to Canada at the start of the conference. Peter is an Elder of the Mississaugas of the New Credit First Nation, and a man taken to wearing his name badge upside down (“I’m looking up at creation, not down on it”).

“If I could teach only one thing, it would be that we respect the rest of creation”, he told us. This provided the perfect opening to explore the emerging question of who we are and who - not what - we want to be in the world.

When we know who we are, we know what we stand for and to what we want to belong. When we belong, we identify with something bigger than us - a ‘tribe’. In business, this means identifying with a culture in which we feel able to contribute, feel valued and in which we can thrive.

Culture has become one of today’s most important business topics. Business leaders know that culture drives people’s behaviour, product and service innovation and customer experience. Culture is the key component to delivering strategy (take a bow, Peter Drucker). A values-led culture that supports your organisational purpose delivers competitive advantage - at The House, we call this ‘purposeful advantage’.

So if the culture of an organisation is primarily a reflection of the values and behaviours of the leaders (past and present), then the transformation of a culture begins with its leaders.

Another fact that stuck: as of today, there are some 240,000 books on leadership and an estimated 10,000 to be published this year. And yet, it would seem that leadership continues to be the number one challenge inside most organisations.

I have been fortunate to work with many senior leaders to create more purpose-driven, values-led organisations. I believe that we already know what good leadership looks like. It shows up in the results of every global leadership survey I’ve read and every company I’ve worked for or with - it starts with leaders telling the truth and acting with authenticity.

Authenticity starts with listening to our hearts and arguably our ‘guts’ - those in-built monitors of authenticity and helpful guides to leadership. When we neutralise that still small voice that speaks within, it eventually speaks to us no more.

When trust is lost, a drop in collective accountability quickly follows and the cultural health of the organisation starts to fail.

“
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”

As Richard Barrett says: “organisations don’t transform, people do”. It takes huge leadership commitment and character to transform the culture of an organisation. You have to see it through all the stages, from definition to activation. It’s not a short-term fix, it’s an ongoing process.

It’s clear that the successful organisations of the future will be purposeful, authentic, will speak truth, be rooted in values and will take care of their employees. Simple, but not easy.

To echo Elder Peter Schuler, when we lose our way, it’s because we have forgotten who we are and who we want to be.

In the weeks since returning from Toronto, I’ve looked inside and found new depths of commitment to my personal purpose of helping individuals, organisations and communities embrace values and authenticity. If these subjects are close to your heart, let’s connect.

Personal Values Assessment

WHERE ARE YOUR PERSONAL VALUES TAKING YOU?

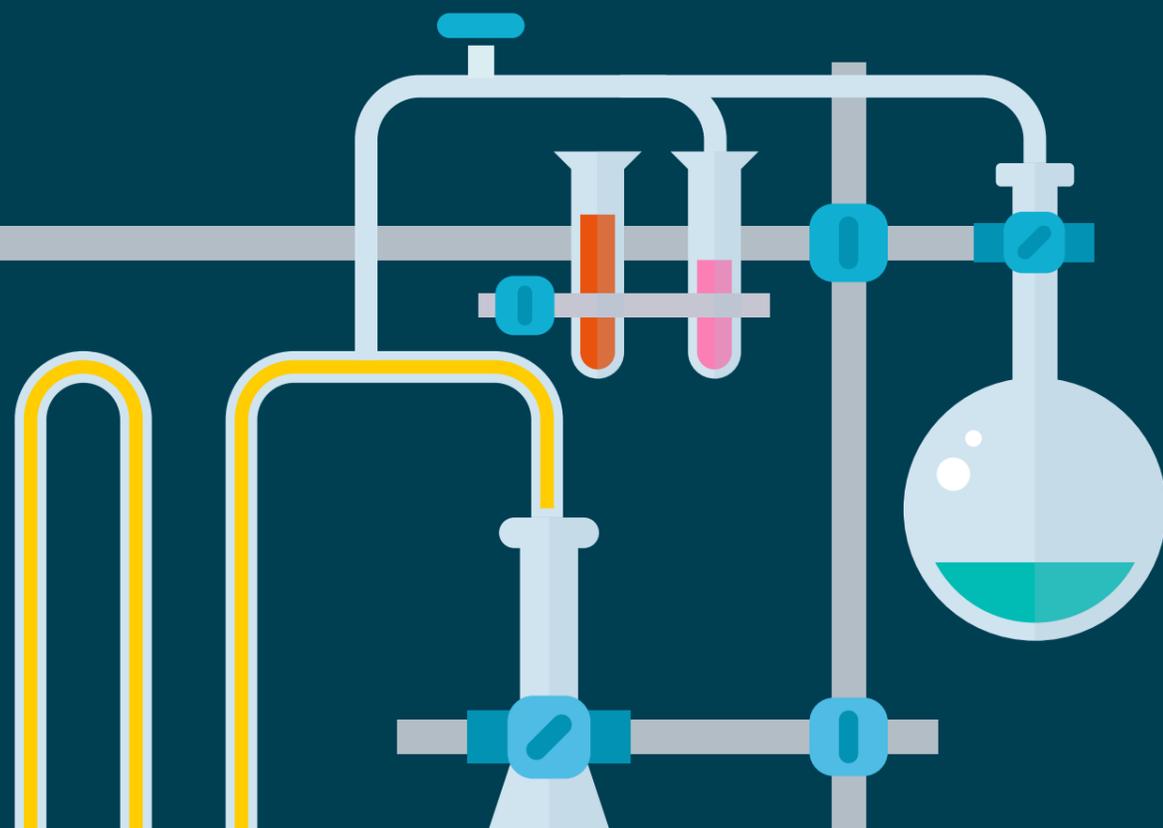
Your personal values can be the impetus that drives you on to a flourishing, purposeful life – but they can also be potentially limiting.

This is because your values reflect what is important to you and what motivates you. Together with your beliefs, they are the causal factors that drive your decision-making.

Your values and motivations can limit you when they are rooted in fear and self-interest. By letting go of fear and cultivating values that focus more on making a difference and serving others, we can become more conscious leaders.

The Barrett Values Centre has developed a free Personal Values Assessment to help you on your journey. By undertaking a frank and honest self-assessment of your values, you can identify areas that you may want to develop further, and figure out how you can better live your values by choosing the right behaviours.

Visit www.valuescentre.com/pva to take your free Personal Values Assessment



Cultural Values Assessment

VALUES CAN BE MEASURED.

When your values are truly “fit for purpose”, they will drive performance. This means it’s important to treat your culture and values as you would any other asset or business driver.

Developing and implementing corporate culture and values is not a “soft science” or a touchy-feely exercise. Values-led cultures can and should be measured and tracked.

Our preferred tool at The House is the Cultural Values Assessment (CVA), developed by the Barrett Values Centre and used by over 6,000 organisations worldwide. Our co-founder Graham Massey is accredited

to conduct CVAs, and we have found it to be a powerful and incisive way of getting right to the heart of a company’s culture.

By asking employees a few simple questions, the CVA provides a complete overview of an organisation’s cultural strengths and weaknesses, illuminating the gaps between where you are and where you need to be and allowing you to plot a clear course of action.

Crucially, your CVA will also identify what is creating cultural entropy – in other words, the degree of dysfunction, friction and frustration that is generated by cultural failure. Entropy has a real, dollar-figure cost to your bottom line: whether that’s through staff turnover, wasted time or lack of morale.

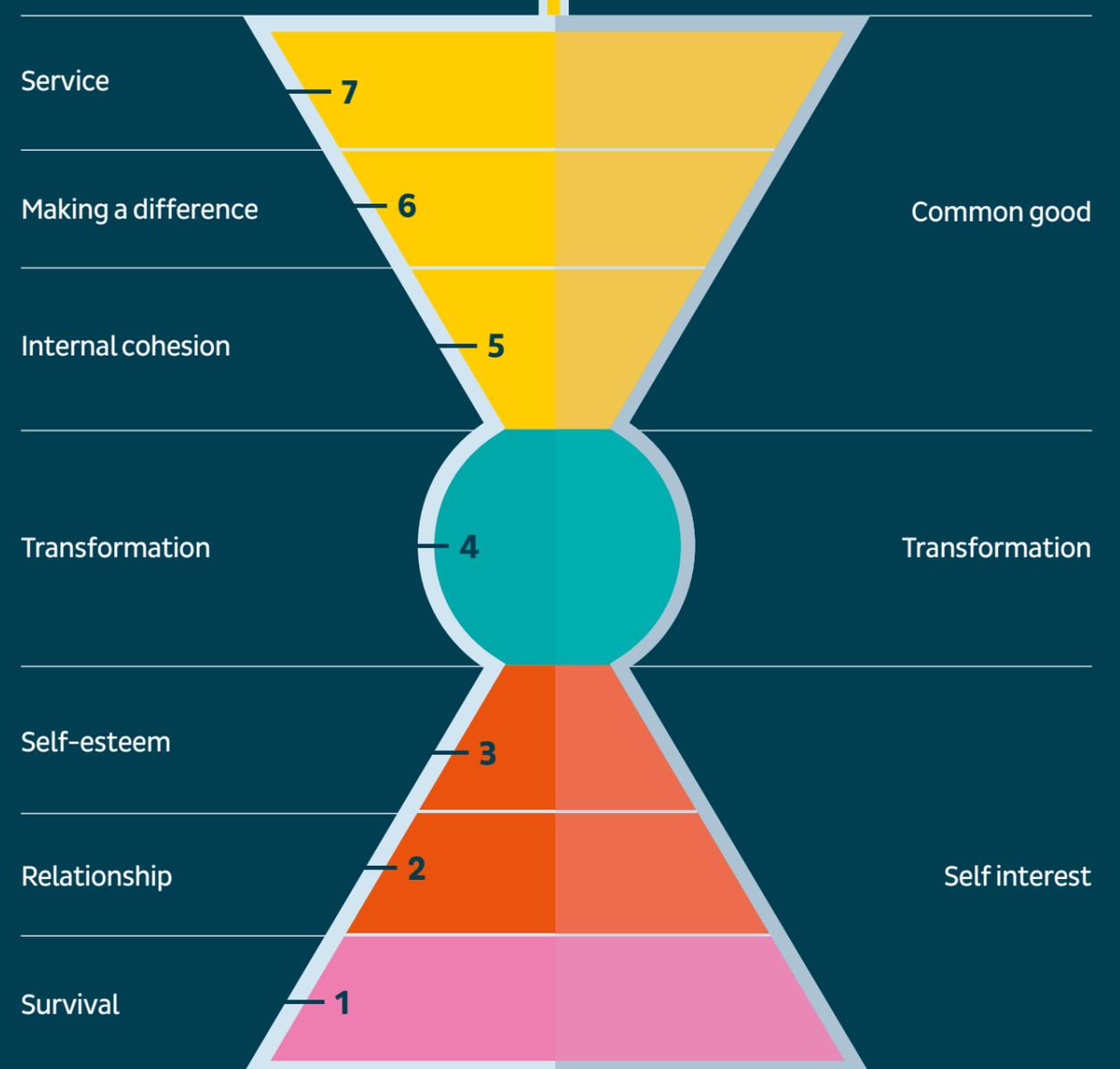
How the Cultural Values Assessment works

We use the Barrett Values Centre’s Cultural Values Assessment (CVA) tool to help business leaders get a clear picture of how well their existing culture is supporting their business needs. The CVA’s analytical power comes from Barrett’s “seven levels of organisational consciousness” model, which plots your needs and motivations from basic survival through to transformation and up to service. Only by mastering needs at each level of consciousness can organisations become resilient and adaptable to future challenges.

Find out more about how a CVA can give you a culture-check. Visit www.valuescentre.com or contact us at graham@thehouse.co.uk

The Seven Levels of Organisational Consciousness

Through the CVA, employees report which values they prize personally, which values they are currently experiencing within the organisation and which values they believe would drive high performance. The most commonly reported values are then mapped against the seven levels of consciousness to give a clear, multi-dimensional picture of the organisation’s cultural health through a series of diagnostic diagrams.



ARE YOUR EMPLOYEES TRULY COMMITTED?

By Richard Barrett, founder and chairman of the Barrett Values Centre

How do you build successful sustainable performance? Focus on the commitment of your employees. Commitment to an organisation arises when the organisation provides employees with opportunities to satisfy their needs and desires.

The needs and desires of employees are determined by the stage of psychological development they are at and the needs of the stages of development they have passed through but have not yet mastered. In other words, commitment arises when employees are able to get their survival, safety and security needs

met, and when their work gives them a sense of meaning – when they can meet their desire for self-expression, connection and contribution.

Commitment to the organisation is enhanced when the leaders, managers and supervisors embrace democratic principles, treat employees as equals, listen to what employees have to say, deal with employees fairly, and give employees opportunities and challenges to grow and develop both professionally and personally. Commitment is further enhanced when employees believe the leaders, managers and supervisors care about them and their families,

and care about the local community in which they live. Commitment continues to increase when they feel they can trust the organisation, its leaders, managers and supervisors to always do the right thing.

The bottom line on commitment is this: When you feel a sense of commitment to an organisation, you identify with it; and whatever you identify with you care about. However, you will only feel a sense of commitment to an organisation if you feel supported by that organisation in meeting your needs.

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Richard Barrett, founder and chairman of the Barrett Values Centre

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WHY SHOULD YOU INVEST IN YOUR COMPANY'S CULTURE?



82%
of employees don't trust their managers to tell the truth.

(Edelman)



40%
of the variability in corporate performance can be attributed to employees' personal satisfaction.

(Wilson Learning Corporation)



Companies that have over **50%** committed employees retain over **80%** of their customers.

(Qualtrics)



High employee engagement increases operational income by **19%** and earnings growth by **28%**.

(Harvard Business Review)



Companies with highly engaged employees achieve **2X** the annual net income of those with disengaged employees.

(Qualtrics)



64% of consumers cite shared values as the reason for their relationships with their favourite brands.

(Harvard Business Review)



Engaged employees are **87%** less likely to leave an organisation than the disengaged.

(Good.co)



88% of workers value work/life balance and a positive culture as the most essential to an ideal job.

(Good.co)



202%

Companies with engaged employees outperform those without by **202%**.

(Dale Carnegie)

HOW PEOPLE POWER PURPOSE

A clear sense of 'purpose beyond profit' can spark a transformation in a company's fortunes. But without a healthy and aligned culture, your purpose will be nothing more than seeds on rocky ground.

This is because it takes people to bring purpose to life – and people can only thrive if there is a strong, values-led culture.

That's why investing in values and culture is just as important as investing in purpose: in fact, the two go hand in hand.

Values drive commitment

What is it that drives some employees to truly commit to the organisations they work for? In our experience, it goes beyond simply believing in the organisation's purpose. You also need alignment between what the employee values and what the organisation collectively values.

Achieving this alignment takes work, but results in an environment in which employees trust each other and feel confident that they can "bring their whole self" to work.

Working on your culture means creating a shared understanding of what is individually and collectively valued, and – crucially – which behaviours are expected as result.



Values clarify the choice

Clear values give employees a clear choice: do my own personal values allow me to commit to the shared values of the organisation? Can I buy into both the purpose and the culture that supports it?

Many people who have worked for ethical, mission-led businesses (or indeed, charities) will recognise this dilemma. It's very possible to believe passionately in an organisation's mission but find it difficult to cope with its culture. This could be because the culture is broken and dysfunctional, or might simply be that it doesn't match your personal values.

Recognising that purpose and mission is only one part of the equation can help purpose-led organisations attend to fixing dysfunctional cultures – and can also help individuals make better informed decisions about where to work.

Values allow people to co-create a lived purpose

Once employees are committed to the purpose and culture, the organisation's shared set of values and agreed behaviours will give them a secure platform and a common language for putting purpose into practice.

For purpose to stick, it needs to be something that every employee can grab with both hands and make their own, no matter what their competences and responsibilities are. This is the beauty of purpose: it can unlock the creative and problem-solving potential of every employee.

To prevent everyone from pulling in different directions, however, there has to be a common set of expectations binding the team together. Your values and culture are the 'glue' that creates the trust necessary for people to be able to act autonomously in support of the shared goal.

“ Investing in values and culture is just as important as investing in purpose: in fact, the two go hand in hand. ”

CONCLUSION

Purpose and culture are two different things, requiring different sets of skills and tools to nurture and build. But they are also intimately linked.

It's difficult to build a healthy set of values and behaviours that make up culture without an underlying shared purpose, and it is impossible to bring purpose to life within an organisation without a healthy and aligned culture.

Only by investing properly in both purpose and values can you unleash the full potential of your organisation and its people.

al

Velocity

Loyal

Innovative

Love

WHY VALUES = BEHAVIOURS

Have you ever worked in a company where the corporate values pinned on the wall didn't match the day-to-day reality?

Business leaders know that this can happen despite the very best intentions. So what causes corporate values to slip? Why do leaders struggle to close the gap between what's said and what's done?

Often, it's a failure to realise that values only truly have meaning when they are expressed as behaviours. In fact, at The House we believe that values ARE behaviours – nothing more, nothing less.

It's an idea that stretches back at least as far as Aristotle. By thinking about values in terms of behaviours, leaders can build robust and resilient cultures in which values are lived day in, day out. Only by doing this can leaders ensure that corporate values are activating corporate purpose.

Mapping behaviours

Take a value like "transparency". A company that says it values transparency but doesn't behave transparently clearly has a problem – that's obvious. But how many companies take the extra step of articulating what "transparent behaviour" actually looks like across their business?

Do this, and you will see that the answer will be different for each department, each process and at each stage of the customer journey. No matter how good the intention, a purely abstract value set won't get into the DNA of the organisation and create positive change.

Think in terms of value-behaviours, and you can translate intention into attention. You can focus on each part of the business in turn and create a clear and shared set of expectations of how colleagues will treat each other and how they will treat customers.

This will allow you to activate your values and ensure that they are powerful tools for realising your purpose and driving performance.

Vision

Balanced

Respect

Fair

Social



VALUES FOR THE WIN

HOW CULTURE CREATES PURPOSEFUL ADVANTAGE.

What are values for?

It may seem like a curious question. We're used to thinking of values as intrinsic, unchanging and "just there". We don't necessarily think of them as having to "do" anything.

For purpose-driven businesses, however, it is vital to ensure that your "how" supports, embodies and drives your "why". Naturally, your values must be authentic. But crucially, your chosen values should propel your business forward and empower everyone in the organisation to realise your shared purpose.

Take this opportunity to look at your company's stated values with fresh eyes. Do they truly come from the core of the organisation's purpose, and are they truly aligned with your business strategy?

If the answer is no, then there is a strong chance that they are little more than words on the wall, with no purchase on the day-to-day operations of the business. This is especially true in the case of generic, 'permission to play' values such as 'honesty' and 'integrity'.

Go back to your 'why'. Which values and behaviours will help your organisation fulfil its purpose? What truly makes your company tick?

Do you and your employees prize disruption, individual initiative and a "move fast and break things" attitude? Or are patience, rigour and consensus building more important?

There are no wrong or right answers, but being clear about what really counts is key. Take the time to make your values fit for purpose, and you will have an awesome tool for activating purposeful advantage.

Turn the page to answer three questions about your company values.

VALUES AT WORK.

How can a value such as 'respect' be put to work in a way that drives purpose and performance?



Meetings

Respect colleagues' time by running meetings properly. Respect their views by ensuring that all opinions are heard.

Result: Better decision-making, productivity and workload management.



Recruiting

Respect applicants by acknowledging every application. Respect different types of experiences by using competence-based interviews.

Result: A more diverse workforce and a stronger employer brand.



Sales and customer service

Respect customer relationships by giving frontline staff permission to be human. Respect customers' intelligence by admitting mistakes quickly and putting them right.

Result: Deeper customer loyalty, better net promoter scores and increased revenues.



THREE QUESTIONS TO ASK ABOUT YOUR VALUES.

Purposeful business leaders need to be confident that their company values are truly activating company purpose. Look at the stated values of your organisation and ask yourself these three questions:

1. Do your values help you solve problems?

Are you using your values as tools?

Can you take a situation and use your values as a practical guide to decision-making?

Do your values make it easier for all employees to quickly decide on the best course of action?

2. Can you use your values to measure employee or team performance?

Do you have a framework to measure performance AND behaviour?

If you have team members who hit targets but create problems for others, are you able to show clearly how their behaviour contravenes your corporate values?

Could you sensibly use the company's values in a review or appraisal situation?

3. Do your values differentiate you from the competition?

'Honesty', 'integrity' and 'customer focus' are all essential ingredients of any business – which is why they are unlikely to differentiate you from the competition.

Compare that to the values of Ordnance Survey, the UK's leading supplier of geographic information: "adventurous, incisive, restless and true". It's a fantastic value set that reflects customer need and clearly points Ordnance Survey towards constant improvement and development of its products and services.

Do your values clearly differentiate your company's approach and culture against your competitors?

Did you answer 'no' to any of three questions?

If so, it may be time to rethink whether your company values are 'fit for purpose'.

PURPOSE IN PRACTICE: **GRADWELL**

Gradwell Communications provides communication technology that works for small businesses, including calls, connectivity and cloud services.

In 2014, an internal survey identified that many employees were uncertain about the purpose and direction of the business. Gradwell risked underperforming and losing talented people.

The House took Gradwell through a series of workshops, from which a core ambition emerged: to become UK's best rated small business communication and connectivity provider. From there, we built a business strategy and set clear goals.

The next step was values and culture. We had to ensure that all Gradwell employees were committed, aligned and empowered to achieve the company's common purpose.

Gradwell already had an agreed set of corporate values, but we pushed this one step further.

"The House challenged us to express our values as behaviours, not just as words," says Nick Thompson, CEO, Gradwell. "This proved crucial, because it is behaviours and attitudes that bring values to life and underpin strong workplace cultures."

Working with different teams, we mapped the customer journey in order to test how the firm's stated values were being put into action and where improvements could be made.

The last piece of the puzzle was to communicate the firm's purpose and values effectively to employees. To do this, we created an 'operating system' handbook that sits on each person's desk, communicating Gradwell's purpose, story, values, annual strategy and key numbers.

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Expressing our values as behaviours gives employees clear benchmarks, and the overall brand is stronger now that it is backed by a clear, unifying purpose.

Nick Thompson, CEO, Gradwell

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OUR STORY.

We set up The House 20 years ago. In our first decade we worked with some of the biggest names in the drinks, retail and entertainment industry, including Jack Daniel's, Diageo and Swatch.

You learn a lot from working with global brands. Most of all, you learn about yourself and what really matters to you. We looked inside ourselves and realised that we are here to help business and brand become a force for good.

Ten years ago, we took the leap and decided to put purpose at the heart of our company - giving up 70% of our turnover in the process. It was a big step and there were moments of huge doubt, but we knew deep down that a strong sense of purpose was linked to business success.

The evidence now confirms it: purposeful brands outperform, attract the best talent and connect to customers on a deeper level.

Building our business on purpose has transformed our company and our culture. It's also helped us to transform the fortunes of our clients and deliver truly meaningful work - work that has been recognised by nine Europe-wide awards.

“
Building our business on purpose has transformed our company and our culture.
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Our job at The House is to help businesses to become a force for good and grab a share of the £130 billion purpose economy.

www.thehouse.co.uk



THE HOUSE