

Laws of Change The Rise of Values

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Laws of Change

The Rise of Values

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If you asked a company leader the purpose of the organization's values, he or she would probably tell you that they dictate a standard of workplace conduct that will benefit the company and the internal and external communities it serves. At their essence, most organizational values relate to some core behavioral principles: tell the truth, take complaints seriously, follow problems through, treat customers and employees fairly, and watch what you say and how you say it. These are simple concepts, but somewhere along the way, companies seem to be getting off track when it comes to integrating the values into the workplace culture. There are too many scandals and incidences of outrageous conduct to think otherwise.

The reality is that when it comes to workplace cultural and behavioral principles, many organizations are overwhelmed by competing, conflicting messages, requirements, and organizational structures. Companies have been quick to implement plans and training initiatives – either because of internal issues or in reaction to the cautionary tales of high-profile scandals – as a way of dealing with problems that arise when people fail to follow the organization's values. However, at best, the day-to-day business operations and systems of rewards do nothing to reinforce the importance of the values or positively influence workplace behavior. At worst, they portray a standard that

actually contradicts the behaviors touted in the values. And ultimately, many organizations decide that as long as the behavior doesn't create an immediate legal risk, it's not an immediate problem.

In many ways, new mandatory training laws and regulations – no matter how well intentioned – are clouding the importance and reasons for driving values-based behavior. The focus shifts to addressing specific legal requirements and how that can be accomplished in the most efficient and cost-effective way. Ironically, in the rush to meet a minimum compliance expectation, organizations are overlooking the fact that if everyone behaved according to the values, the legal standard would be met if not exceeded.

The significance of this became clear to me years ago when I was working with a surgical unit from a prominent teaching hospital. Responsible for extremely complex, high-risk procedures, these surgeons were well-known for their skill in the operating room, but many were just as infamous for their outrageous behaviors – screaming at colleagues, publicly humiliating team members, and wielding a constant stream of sarcasm and condescension that would ensure no one would question them. On the worst days, team members would be more concerned about a particular surgeon's mood than the specifics of the patient's case. They

would avoid confrontation at almost any cost – even if it meant keeping quiet about changes in a patient’s vital signs. They’d learned their lesson not to bring up problems until or unless the surgeon noticed it. Not surprisingly, many of the best residents, nurses, and specialists started looking to other institutions for training and employment.

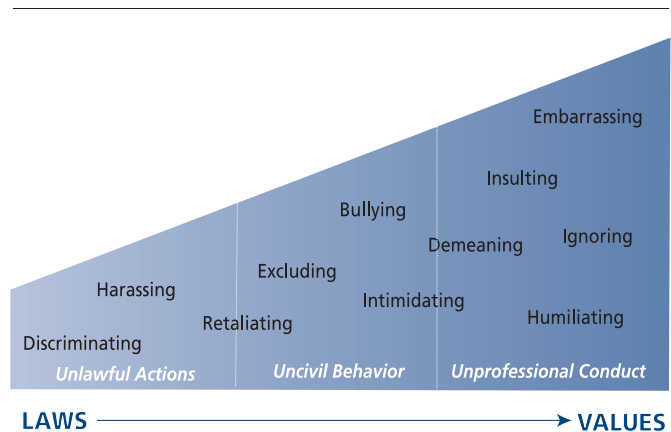
The institution, which has well-publicized core values, knew about the problems in this unit and knew the issues needed to be addressed. But rather than focusing on whether the behaviors measured up to professional standards and their own institutional values, the department’s leaders comforted themselves with the fact that the conduct didn’t appear to be motivated by racial, sexual, religious, or similar biases. Since there was no clear legal violation, there was no real immediate threat.

Remarkably, the leaders failed to recognize that behaviors that conflicted with their values, though technically legal, had a devastating impact on the team’s reputation and stability if not on their overarching concern, patient care. Surely, a successful claim of harassment or discrimination could not have been more damaging. Beyond this institutional short sightedness, the leaders who managed the overall surgical team did not have the skills to address improper conduct or prevent it in the first place. They knew how to comply with multiple regulatory and procedural requirements but not how to set a standard of workplace behavior that mirrors institutional values and the reality of today’s workplace world.

From Values to Behavior

It’s naive if not downright reckless to console oneself with the idea that “at least the behavior’s not illegal.” Organizations need to move beyond a strict compliance focus, because it’s the day-to-day, subtler behav-

iors that are creating so much damage or laying the foundation for legal risk down the road. These “non-legal” issues are having the same – if not worse – impact as illegal conduct, and yet they often continue unaddressed. While the surgical team is an extreme example, variations of these issues can be found in all types of workplaces, with dire consequences to match. As a result, organizations can no longer rely on the law as the only driver to motivate behavior change. In the long run, using values to drive conduct will more readily lead to legal, ethical, and productive operations where those behaviors are embedded in the corporate culture.



An array of behaviors – many subtle or not outright violations of the law – are causing harm in the workplace. Relying solely on the law to drive behavior change won’t be effective in dealing with the realities of today’s work environment.

Although most organizations have key initiatives and strategies underway that are tied to the values, this emphasis on values over compliance will still require a major shift in focus for the majority of them. Now, most organizations spend too much time simply giving leaders information about basic legal, ethical, and compliance-related issues when they should be developing their skills. With the proper skills, leaders’ actions would help prevent many of the workplace

problems that have led to today's maze of regulatory structures and seemingly random messages.

When it comes to training, finding the foremost legal expert to explain the nuance of some new regulation or requirement is not the answer. Much of the information we currently "teach" could be distributed as a reading assignment rather than delivered in droning lectures or boring desktop slideshows. What we teach should be applicable, practical, and results-oriented. The learning must also be continual – back on the job and in creative, ongoing ways. Compounding the current problem has been a lack of meaningful follow-up; key concepts are rarely if ever revisited after the initial training. Follow-up training and accountability are vital if the desire is to achieve anything beyond a bare-minimum compliance standard.

Finding Meaning Behind the Words

Virtually every organization crafts their own "unique" values. Multiple committees may be involved in the development; the values are tested, revised, thought about, edited, and then published with a corporate flourish characterized by slick graphics and lofty executive speeches. For all the intense work and battles over this term or that, corporate values – from pharmaceutical firms to paper mills – are more alike than dissimilar. They may use different words (though often they are identical), but generally those that relate to workplace conduct include terms like honesty, integrity, excellence, inclusiveness, teamwork, and lawfulness. Presumably, these values are the foundation for building workplaces characterized by those kinds of positive behaviors.

Frequently when values are communicated, three problems arise. First, the values are not presented as necessary ingredients for business success. To have any impact, they must be developed and communicated

with a clear link to the health and advantage of the organization and for the benefit of all members of the workplace community. If people can't relate the values to their daily work lives – specifically in their own work area and to the job they do – there is little practical benefit in having them.

Several years ago, I worked with a manufacturing company with values that included safety and respect. As I listened to their senior executives, everyone could explain how safety affected the jobs they managed and could relate safety practices to the clothing they wore and the procedures they followed on their job sites. They recognized that safe practices benefited them, their team, and the organization. Yet when they began to discuss the significance of respect at work – expressed in their organization's communications as a value of comparable significance to safety – their comments were vague and dull. It was clear that most could not explain how respect drives business success. Had they seen respect as a value that affects teamwork and productivity, they and thousands like them could have understood its significance far more readily.

Second, organizations' leaders often discuss values at a high conceptual level without identifying any specific behaviors that define precisely how those principles are demonstrated on the job. Many times, I'll see an organization's values and they're just words on page with no explanation following. Looking at a list of disjointed words, any two people could legitimately define and apply the terms differently, and each could honestly claim that he or she was acting in line with the organization's values.

At the other extreme, organizations can get too specific by identifying many different behaviors characterizing their values. I recently worked with an organization that had values tracked to numerous specific behaviors. The target audience seemed to be someone with a

photographic memory and a Ph.D. in philosophy or clinical psychology. It certainly wasn't written in a way most managers and employees could relate to or remember. Thus, being either too vague or too specific leads to the same result: values that are pushed to the side of organizational consciousness and functionally useless in terms of driving day-to-day to business behavior.

At their essence, these three problems represent a failure of effective communications. If consumer product companies branded and marketed their goods as ineffectively as many of them communicate their values and related messages internally, no one would understand what they did or want to buy what they sold. It's ironic that the world's finest marketing organizations thrive by communicating what they do in clear images and phrases, but when they try to express simple concepts like honesty, civility, or respect, they become overly obtuse and often end up saying nothing at all.

I recently met with executives at a consumer products firm whose products are known at first glance virtually everywhere on earth. Their brand and marketing messages are instantly recognizable and clear. Because they know how to communicate and sell ideas, they've affected consumer behavior: we're willing to buy what they sell and will pay a premium for it. But they have struggled internally with the question of how to communicate and explain simple standards of conduct tied to their values. Employees, who become bombarded with seemingly random and unconnected messages, are left with a sense that these are just "flavor-of-the-month" issues.

Too many disparate, confusing messages permeate the work environment today, and the end result is people tune them out. Working more closely with the internal communications team, executives need to apply the consistency and clarity of external communications to their internal cultural initiatives. Otherwise, messages

about the values will become nothing more than background noise.

The Distraction of Law

When high-profile business scandals erupt, organizations can become lost in the morass of legal and regulatory compliance requirements, implementing complex structures and processes, muddled communication plans, and disjointed training sessions to prevent future disasters. While the intentions are good, these elements can blur if not extinguish an effective commitment to values-based behaviors. In one organization I recently worked with, I counted 12 places where people needed to take different types of business problems, as each problem had a specific organizational owner. Given the complexity of the structure, my guess is most will not be inclined to bother with raising concerns at all. Unless there is an absolutely compelling issue, they'll likely keep quiet or ignore the problems, regardless of organizational principles that encourage personal responsibility.

In most large organizations, employees get inundated with complex, seemingly unrelated, and often conflicting communications emanating from the vast web of corporate fiefdoms responsible for different pieces of what we call compliance, including human resources, ethics, diversity, legal, and a host of others. Since each has its own budget, staff, directives, and accountabilities, it's no wonder employees become confused or turned off by the disparate messages they hear.

And then the training simply adds to the noise. In a typical implementation, managers and employees learn about matters ranging from organizational processes to theories of diversity to philosophies of ethics. Managers are asked to sit through a series of legally based courses that may be more suited to a first-year law student than a workplace leader. Everyone signs statements verifying they have read and understood

the harassment policies, codes of conduct, mission statements, compliance statements, and handbooks. The documents are then returned to corporate, filed away, and otherwise forgotten unless they need to be resurrected to prove good faith or impose tardy discipline when preventable damage has already left a trail of harm.

Again, this represents a compliance focus instead of a values focus. Emphasizing the importance of avoiding legal risk over the importance of operating by the values creates vast differences in the workplace culture, even in organizations that may be very similar in other ways. Two consumer product companies I work with provide the perfect example. While they operate in the same industry and even sell competing products, the approach and cultures couldn't be more different. In one, leaders brought in executives from all over the company to talk about how to lead ethically and operate by the company's values. The CEO set the tone by talking about the values and giving examples to illustrate how they should be applied to everyday business. Subsequent speakers also addressed these themes, and at the end of the day, everyone understood that they would be measured as leaders on how well they applied the values to their actions and on their responsiveness to problems and behaviors that violated the values.

The other company convened a panel to discuss how to address workplace behavior, including the requirements tied to California's mandatory harassment training law. Whenever nuances surfaced about how to deal with issues that weren't clearly illegal harassment or discrimination, the legal chorus reminded everyone that what they really needed to focus on were the requirements of the California law, specifically the two hours of training and specific topics mandated by the regulation. The point was to make sure the boundaries of the requirements were satisfied. Whether or not the

training had a long-term impact or was even applicable to most people's daily workplace experiences was irrelevant.

Legal compliance is compulsory, and it must be addressed and respected. But what happened in this discussion was typical of the sometimes narrowing of focus that occurs in the rush to meet compliance requirements. A meeting about building a values-based culture (in which legal compliance is one component) was gradually taken over by concerns about how to build a defense to the kinds of claims that would likely be avoided in the first place if leaders were more effectively managing behavior in their work areas.

Eventually, the discussion progressed to its logical conclusion – that while two hours of harassment instruction was required in California, the information could “safely” be presented in 30 minutes in states without the requirement. Once merely a piece of the puzzle, legal compliance had now become the puzzle entirely. There is no question that employees from these two companies will have very different views of why the values are important and what they mean to their daily work lives. Ultimately, that will be the difference, both in behavior and the workplace culture.

The Right Messenger, the Right Skills

Undeniably, there are sound, legally compelling reasons for providing instruction on assorted regulatory topics. However, the way it's carried out tends to increase confusion and cynicism. The training is typically “owned” and delivered by groups outside such centers of business as sales, marketing, manufacturing, and customer service. When “outsiders” from legal, human resources, compliance, ethics, or audit are delivering the messages, the concepts seem collateral and secondary to the important business points being communicated by a department's day-to-day managers.

This is especially true when the concepts are contradicted, devalued, or denigrated back on the job by leaders who drive daily business performance, because that's where the real learning ends up taking place. In the case of the surgeons, had their leaders – who they respected and who held sway over their careers – been clear about expectations, accountability, and the gravity of behavioral issues, the messages likely would have been taken more seriously than those delivered by lawyers and HR consultants who came in, spoke for an hour, and left.

Two conditions are necessary for the messages to be taken seriously. First, managers at all levels must be given responsibility to communicate them. Second, they must be given the skills needed to make sure the messages stick. This is quite different from arming them with masses of legal information that they don't know how to apply and soon forget. Equipping them with skills will give managers the confidence and ability to take more control over the behaviors and conditions in their work environment.

I recently met with a senior executive of a publicly traded company. He told me that lawyers were running and ruining his business. Despite scores of initiatives, managers still didn't know how to deal with the subtle problematic behaviors that crop up in the workplace. My impression is that his managers had learned to manage their own personal behavior, but they didn't know how to communicate standards to others. It's not surprising; to communicate these concepts effectively, the managers need some very specific skills, not just a barrage of information. Peter Drucker said it best: "Knowledge without skill is unproductive."

Let's look more closely at the skills leaders need to be productive in driving values-based behavior:

Role modeling: Leaders must set the standards through their own actions. If respect is a key value,

leaders must demonstrate it or it has no meaning. One of the most effective leaders I can recall ran a textile plant in North Carolina thirty years ago. He did not talk about respect; he exhibited it in terms of how he treated everyone, from newly hired mill workers to senior executives.

Communicating authentically: Leaders have to be able to talk about the values in their own voice and in a way that clearly underscores the impact of behavior on the department's success. It also has to be done in the course of normal business, not just once a year or when a crisis erupts. Being able to communicate authentically and effectively, linking behavior to daily business benefits, is a skill that needs to be taught. Regardless of how proficient they are in their professional competencies, most managers haven't been given these skills, nor does the ability just come to them intuitively.

Several years ago I worked with a group of brilliant physicians who wanted to communicate values and behavioral expectations to their new residents. Many of these doctors, who have had to communicate tragic news with grace and compassion for years, had trouble explaining why dignity and respect were necessary elements of professionalism in their departments. Once taught the foundational skills, however, they excelled at internalizing the messages and giving them a personal spin. And what better way for residents to learn about professionalism standards than from those who are communicating clinical standards to them as well.

Knowing when and how to take action: When values are being compromised – whether it's an obvious violation or a subtle one – leaders have to know what to do and how to do it. But even before an issue rises to the level of a violation, leaders need to be able to intervene using effective coaching and feedback skills. This step is more effective in the long run both for preventive reasons and because it builds managerial

credibility and authority without waiting until a punitive or formal disciplinary action is the only option. By promptly addressing behavior that has the potential to get out of control, the bad habits don't become ingrained in the culture and the damage can be stemmed. Likewise, learning how to praise positive examples of values-based behavior is just as important. Values shouldn't be talked about and addressed only in the context of something going wrong. The key is taking action consistently, though, because as soon as managers make exceptions for the high producers or departmental "stars," their credibility will be destroyed.

Welcoming and responding to concerns: Most workplace problems develop gradually, with danger signals appearing along the way. Employees often recognize these issues, and many of the business scandals of the past few years could have been avoided if the employee messengers who sounded alarms had been welcomed rather than ignored or pilloried. Leaders need to know how to welcome concerns and how to respond when issues are brought to them. The fact that many leaders react negatively to issues is the reason why virtually every regulatory provision contains sanctions against retaliation (and why such claims are on the rise). Giving leaders information about retaliation and legal precedent won't prevent claims; the all too human reaction is to ignore or punish people who bring up problems, or to stifle their willingness to do so. Instead, leaders need to know how to actively welcome concerns and even challenges. Again, it's not an intuitive skill most managers bring to the job, but it can be developed through practice and experience.

Leaders must also learn how to respond effectively to employees' more ambiguous complaints or to issues that may not be legitimate concerns. If people feel comfortable bringing forward "grey" area issues, they'll also have more confidence in the manager's desire to hear about the serious, potentially high-risk issues. While the surgeons I introduced you to earlier set a

clear tone that discouraged people from voicing concerns, I recently met another surgeon whose conduct is a dramatic contrast to that example. At the beginning of each procedure she introduces herself to her team. She then asks everyone to speak up if they see problems or have concerns about the surgery's progress, emphasizing that this is for the benefit of the patient. This is a standard we need to see in every business. If it can work in the high-risk world of the operating room, it can work in other environments, too.

Laws of Change

We enact laws to control behavior in the workplace. If racial and sexual discrimination had not been issues, we wouldn't have needed to create civil rights legislation to address them. If leaders acted honestly and took their responsibilities to heart, Sarbanes-Oxley would not be a common word in our business vocabularies. But the laws are really a means to an end: their true objective is to manage behaviors. To achieve that end, we need to focus on values, link them to simple behaviors, communicate their importance, and give leaders the skills to make them come alive.

About the Author

Stephen M. Paskoff, Esq., is the founder and president of ELI® and a nationally recognized author and speaker on workplace legal and cultural issues. A pioneer in the development of interactive fair employment training, his unique approach to behavior change and skill-building has helped clients from across industries align everyday conduct with organizational values to build professional, lawful, and ethical cultures.

Mr. Paskoff serves as Co-Chair of the American Bar Association's Compliance Training and Communication Subcommittee, which explores best practices in training methodology as well as overall strategies for implementing learning and communication plans to maintain corporate compliance. He is also a member of the Editorial Board of Workforce Management magazine and author of the book **Teaching Big Shots to Behave and Other Human Resource Challenges**.

Prior to establishing ELI® in 1986, Mr. Paskoff was a trial attorney with the Equal Employment Opportunity Commission and a partner in a management law firm. He is a graduate of Hamilton College and the University of Pittsburgh School of Law and is a member of the Pennsylvania and Georgia bars.

About ELI®

ELI® is a training company that teaches professional workplace conduct, helping clients translate their values into behaviors, increase employee contribution, build respectful and inclusive cultures, and reduce legal and ethical risk. Since the company's inception, more than one million people around the globe have participated in ELI® training, building practical skills that help bring to life their organization's commitment to civility, fairness, and professionalism in the workplace.

With expertise in helping organizations change individual behavior and transform their overall workplace cultures, ELI® provides clients with a best practice approach that can be tailored to their unique environment, industry, business issues, or other factors. Whether delivered online or in the classroom, ELI's behavior-driven training solutions are based on a proven learning methodology that focuses on outcomes that impact bottom-line business results. Rather than teaching simply what the law says, ELI® programs give individuals the skills they need to make a sustained difference back in the workplace. As a result, over the past two decades ELI® courses have been used to satisfy court-imposed settlements and consent decrees and have won numerous awards, including "Top Ten Training" designations from Human Resource Executive Magazine.



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