Teaching the Competing Values Framework

Questions? Contact Katherine Lawrence
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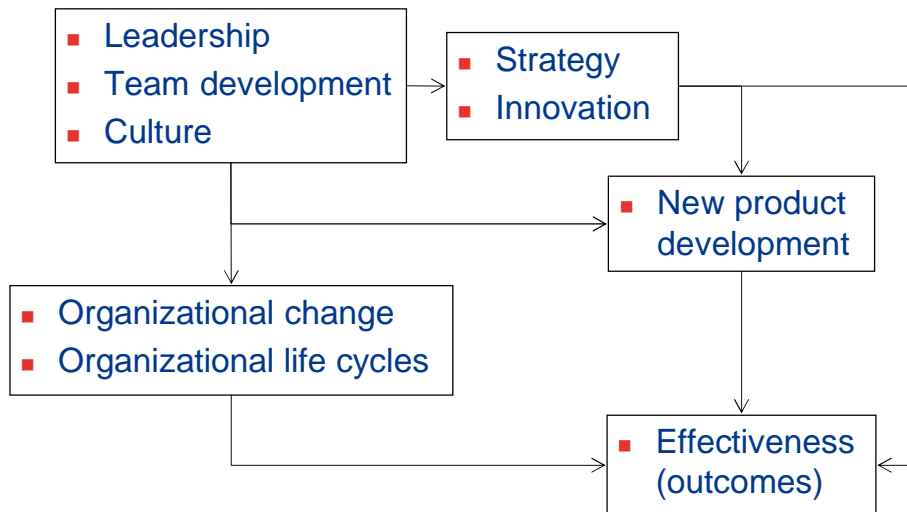*"Used with permission of www.competingvalues.com"*

Origins of the CVF

- ## 1981-1983: Multidimensional analysis of organizational effectiveness criteria
  (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

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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™

Competing Values Framework™ — MICHIGAN ROSS SCHOOL OF BUSINESS

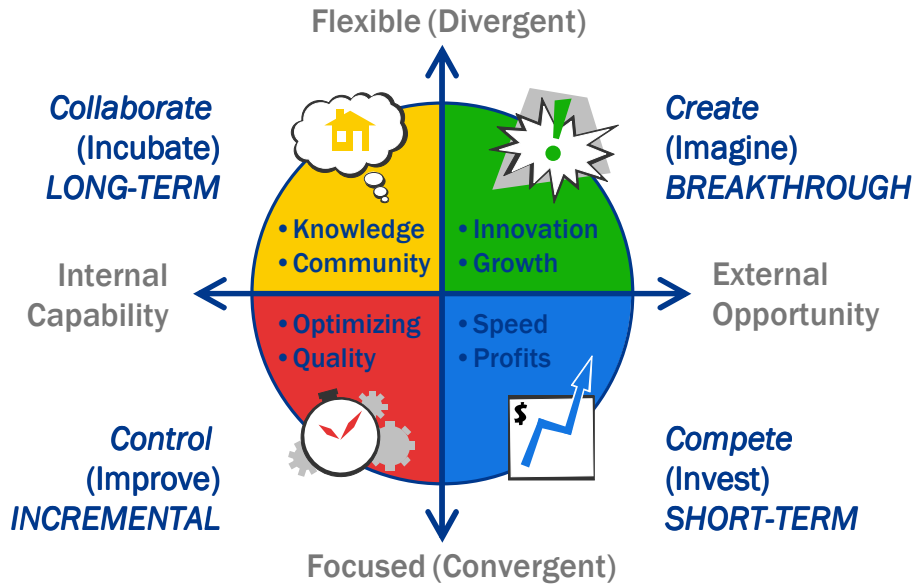| COLLABORATE	CREATE
• **Focus:** Values	• **Focus:** Vision
• **Situation:** A community united by shared beliefs, competency is closely linked to unique abilities, strong identification with a lifestyle	• **Situation:** Differentiation creates significantly higher margins, a new methodology changes the game, an industry is situated around blockbuster invention
• **Purposes:** Community and knowledge	• **Purposes:** Innovation and growth
• **Practices:** Building teams and developing communities, training and coaching, creating shared vision and values, harmonious work environment	• **Practices:** Encouraging radical thinking, launching new ventures, speculating emerging opportunities, launching change initiatives, destroying the old way of doing things
• **People:** Builds trust, helpful, resolves conflict, empowering, good listener, encourages participation	• **People:** Visionary, optimistic, generalist, enthusiastic, quick thinker, expressive
• **Environment:** Harmonious atmosphere, collaborative workplace, informal communication, shared values	• **Environment:** Stimulating projects, flexible hours, free from everyday constraints, diverse workforce
• **Measures:** Employee satisfaction, employee turnover, training per employee, competency peer review	• **Measures:** Diversity of experiments, new market growth, adoption rate, revenues from new products and services
CONTROL	**COMPETE**
• **Focus:** Process	• **Focus:** Goals
• **Situation:** Organization has large and complex scope and scale, government regulations and standards determine business practices, failure is not an option	• **Situation:** Shareholder demands are the primary driver, aggressive competition, markets change from mergers and acquisitions, investors demand quick results
• **Purposes:** Efficiency and quality	• **Purposes:** Profits and speed
• **Practices:** Implementing large scale technology and systems, applying continuous improvement processes, complying with regulations, adhering to standards	• **Practices:** Managing performance through objectives, investing for increasing rates of return, quickly starting and killing initiatives, quickly confronting problems
• **People:** Organized, methodical, technical, practical, objective, persistent	• **People:** Goal oriented, assertive, driven, accountable, decisive, competitive
• **Environment:** Clear roles, logical objectives, structured work , cohesive work processes	• **Environment:** High pressure, fast moving, quantifiable results, pay for performance
• **Measures:** Budget adherence, milestones achieved, number of failures, regulatory compliance	• **Measures:** Gross profit, time to market, return on investment, operating income

www.competingvalues.com — *Making Change and Innovation Happen!*

The Competing Values

Flexible (Divergent)

Collaborate
(Incubate)
LONG-TERM

Create
(Imagine)
BREAKTHROUGH

- **Knowledge**
- **Community**

- **Innovation**
- **Growth**

**Internal
Capability**

**External
Opportunity**

- **Optimizing**
- **Quality**

- **Speed**
- **Profits**

Control
(Improve)
INCREMENTAL

Compete
(Invest)
SHORT-TERM

Focused (Convergent)

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What situations apply

When…	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	• 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…	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	• 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.

- *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.

- *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.

- *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.

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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

- 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

- 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

- 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
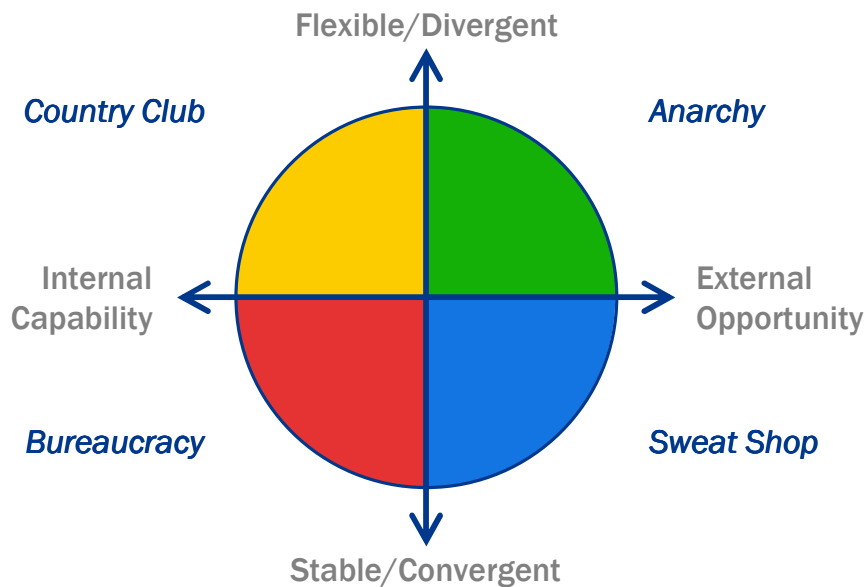- Driving for superior returns on investments

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People

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

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

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

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

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At the Extremes

Flexible/Divergent

Country Club   *Anarchy*

Internal Capability ← → **External Opportunity**

Bureaucracy   *Sweat Shop*

Stable/Convergent

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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 - *Practices:* Building teams and developing communities, training and coaching, creating shared vision and values, harmonious work environment	- *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
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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 - *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
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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
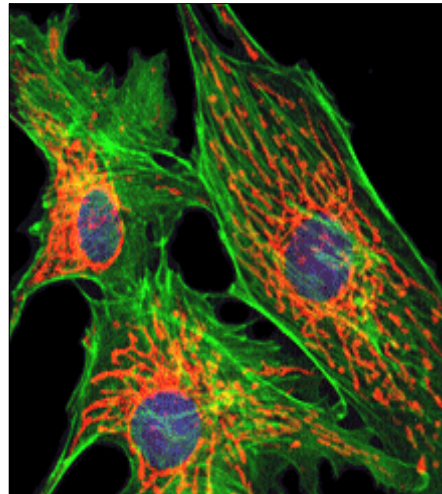
Top of the Framework:
Flexible Approaches

- 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

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How to Introduce the Framework

Varieties of Application

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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

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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

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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

FLUKE.

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

TOYOTA

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 a 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

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How Do These Types of Practices Produce Competitive Advantage?

Incremental Innovation   **Breakthrough Innovation**

<--->

Relative Delivered Price   *Relative Uniqueness*
for Comparable Quality   *for Market Segments*

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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*)*

SONY

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!)*

Product Examples

Flexible/Divergent

Collaborate
(long-term)

Create
(breakthrough)

Internal
Capability

External
Opportunity

Control
(incremental)

Compete
(short-term)

Stable/Convergent

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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
  - Dell
- Marketing and brand
  - Nike
- Channel and delivery
  - Amazon

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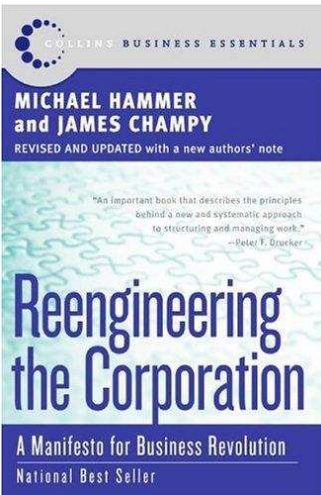# Applying the Framework

Layering onto Concepts

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Example

Failure to align
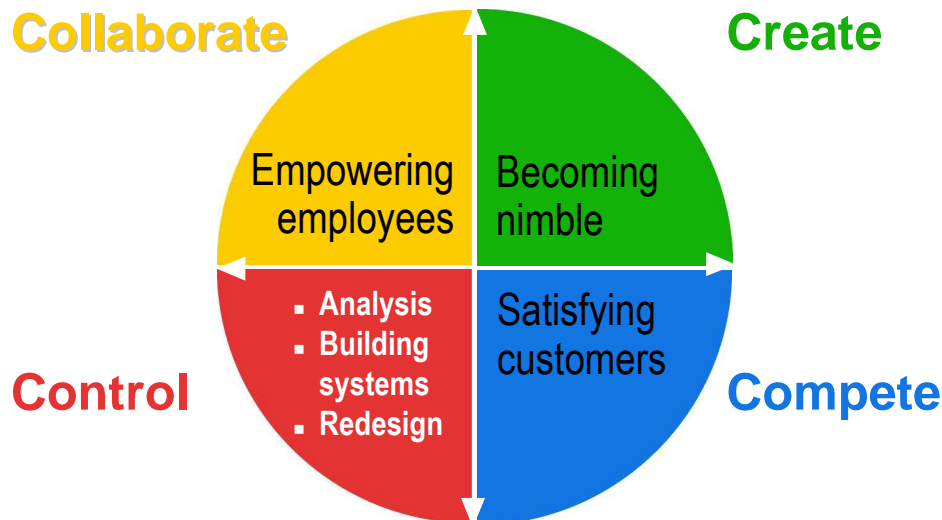
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Example: Reengineering

- The Promise:
    - becoming nimble
    - satisfying customers
    - empowering employees
- The Reality
    - layoffs
    - demoralization
    - failure
- What happened?

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Reengineering promises

Collaborate

Create

Empowering employees

Becoming nimble

- Analysis
- Building systems
- Redesign

Satisfying customers

Control

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
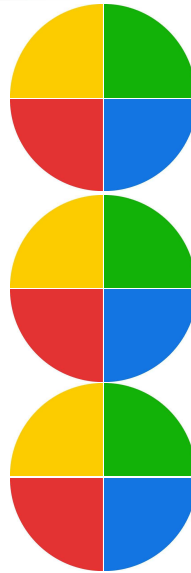
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Types of People

Creating the Right Work Environment

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Incubate characteristics

Negative Characteristics
Martyrs
Chameleons
Coercive
Pedantic
Aloof
Patronizing
Contagious gloominess

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

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

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Incubate leadership

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

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

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Invest characteristics

Positive Characteristics
Goal oriented
Action oriented
Impatient
Assertive
High achiever
Driven
Decisive
Challenging
Tough
Competitive
High energy
Accountable

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

Negative Characteristics
Excessive
Confrontational
Bossy
Raging
Overbearing
Stressful
Manipulative
Workaholic

Typical work settings
Finance
Brand management
Mergers and acquisitions
Investment services
Managing a start-up

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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

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Improve characteristics

Preferences
Conserve fiscal resources
Find ways to save money
Make disciplined financial allocations
Prevent people from making costly mistakes
Routinizeinternal 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
Bureaucratic
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
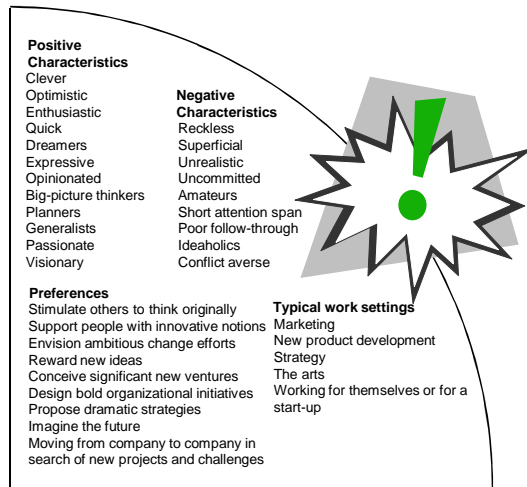- Access to technology, tools, and data

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

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Imagine characteristics

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

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

Preferences
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

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

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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

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Preferred Environments

■ Family atmosphere	■ Stimulating projects
■ Collaborative workplace	■ Flexible hours
■ Shared values and vision	■ Free from everyday constraints
■ Integrates personal goals	■ New initiatives
■ Informal	■ Independent work streams
■ Teaching and coaching	■ Diverse workforce
■ Clear roles and responsibilities	■ Competitive
■ Stable project management	■ High pressure and impact
■ Logical objectives	■ Fast moving and high energy
■ Methodical processes	■ Image enhancing deal making
■ Standards and regulations	■ Quantifiable results
■ Ordered and structured work	■ Winners and losers

Preferred Communication

■ Talk about personal experiences	■ Be enthusiastic and energetic
■ Tell stories	■ Look at the big picture
■ Smile	■ Expect to be interrupted in mid-sentence
■ Express emotions	■ Draw concepts
■ Put the person at ease	■ Use metaphors
■ Think out loud	■ Look at the future
■ Use nonverbal gestures	■ Make it conceptually sound and clear
■ Acknowledge the role of intuition	■ Ask open ended questions
■ Recognize important spiritual symbols	■ Explore how the pieces fit together
■ Provide details	■ Get to the point and summarize
■ Be neat and on-time	■ Be logical and analytical
■ Follow the rules	■ Critically confront the downside
■ Explain in sequential order	■ Use quantifiable facts to illustrate points
■ Conform to accepted esprit de corps	■ Be very matter-of-fact
■ Ask close ended questions	■ Don't get emotional
■ Provide detailed data	■ Show personal ownership
■ Demonstrate how it works	■ Demonstrate a biased towards action

Types of Organizations

The Essence of Values

Examples of Organizations

Bloomsbury	*Fluke*
■ Small independent publisher in an industry of monolithic firms ■ Has published everything from Microsoft's *Encarta* reference series to *Harry Potter* ■ Vision of being different and making a difference, publishing writers such as Nadine Gordimer and Salman Rushdie ■ Focuses on developing good writers into great writers	■ World leader in test tools and software ■ Open-ended challenge of innovation ■ Self-perpetuating, customer-driven innovation ■ Leverages problem solving into products and services ■ "Live with customers, don't study them from afar" ■ Values curiosity over expertise
Toyota	*P&G*
■ Soon to be world's largest car maker ■ Invented or perfected highly integrated processes of development and execution ■ Continuous improvement ■ Flexible platform manufacturing systems ■ Mass customization ■ Lean manufacturing ■ Business process integration	■ World leader in consumer products ■ Global brand management with extensive customization ■ Well-funded corporate programs to increase innovation ■ Consumer programs to help them make new products and improve existing ones ■ Extensive portfolio management process to pick winners most of the time

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

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

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Throughout the Organization

What Happens and When

Preferred Methods

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

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The CVF over time

Time →

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

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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

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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.

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Idea Generation

Brainstorming

Divergence and Convergence

Diverge	Converge
• Open questions	• Closed questions
• Tell stories to share experiences	• Consult experts to get the facts
• Create visions and symbols	• Develop systems and measures
• Launch experiments	• Validate through tests
• Engage the mind	• Engage the hands
• Create energy and momentum	• Create processes and plans
• The art of possibility	• The science of reality
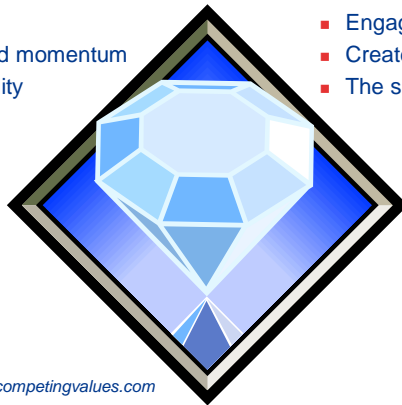
Differentiate then Integrate

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
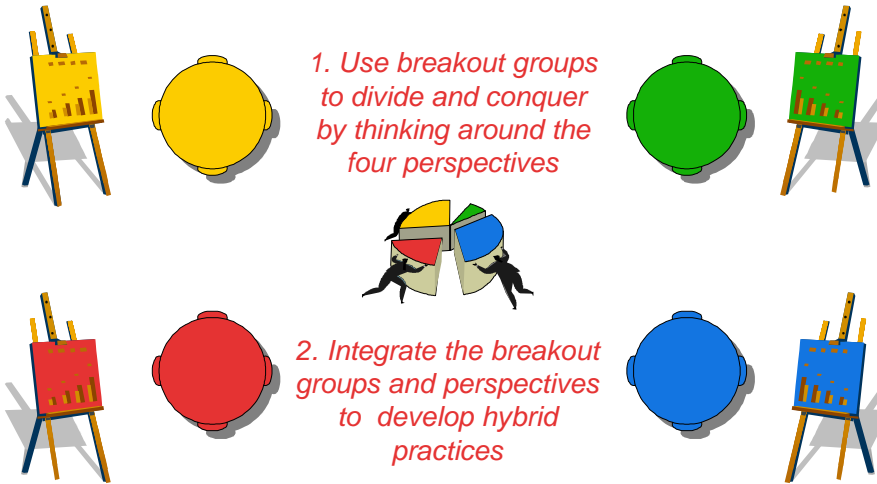
Who to include

Teachers	Dreamers and visionaries
Communicators	Fashion trend setters
Counselors	Creative actors
Listeners	Big picture thinkers
Conflict mediators	Experimenters
Community builders	Energizers
Planners	Competitors
Organizers	Decision makers
Analysts	Goal oriented achievers
Technicians and scientists	Sprinters
Methodical problem solvers	Political game masters
Professionals	Deal makers

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

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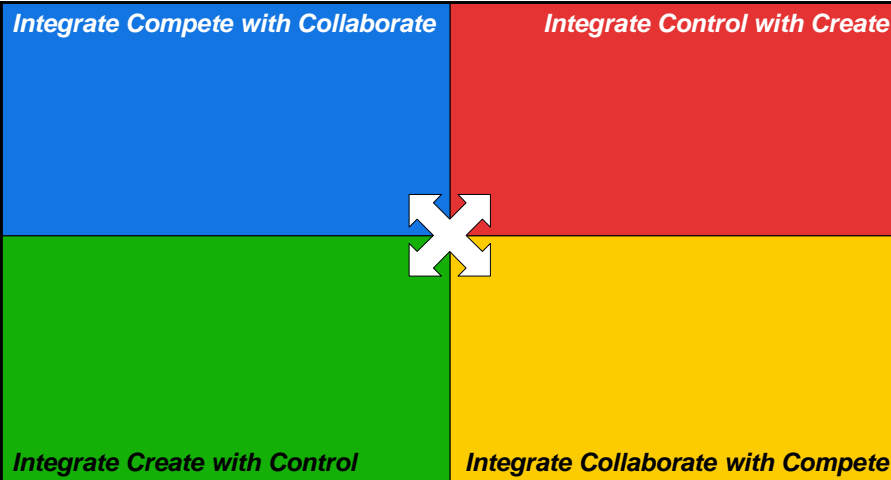
Revisit the Profiles

- Examine key components to each view
  - Situation
  - Purposes
  - Practices
  - People
- Support each view's preferences
  - Environment
  - Questions
  - Communication

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Integrate Points of View

Integrate Compete with Collaborate	Integrate Control with Create
Integrate Create with Control	Integrate Collaborate with Compete

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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

Collaborate
Score **12**

Create
Score **6**
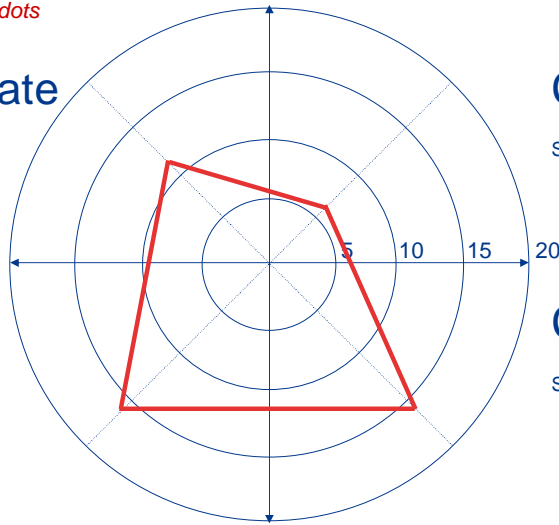
Control
Score **16**

Compete
Score **16**

5 10 15 20

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Purposes Profile: Desired

Plot your score on the diagonals and connect the dots
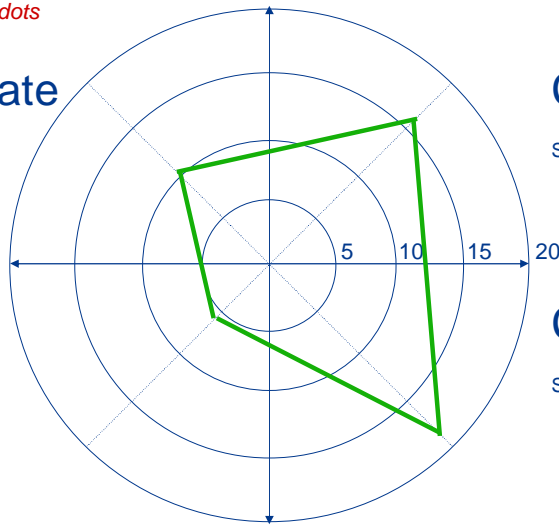
Collaborate
Score **10**

Create
Score **16**

Control
Score **6**

Compete
Score **18**

5 10 15 20

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Overlay: Current & Desired

*Plot your score on the diagonals
and connect the dots*
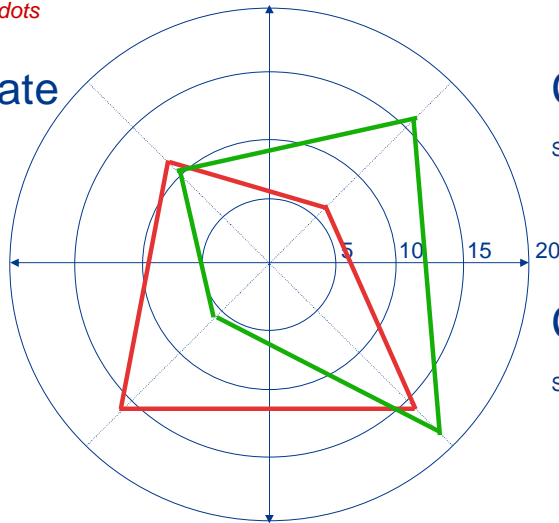
Collaborate

Score **10**

Create

Score **66**

5   10   15   20

Control

Score **66**

Compete

Score **18**

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Action Plan

■ Start ■ Stop ■ Change ■ Needs	■ Start ■ Stop ■ Change ■ Needs
■ Start ■ Stop ■ Change ■ Needs	■ Start ■ Stop ■ Change ■ Needs

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Related Frameworks

www.competingvalues.com

CV Role-Based Framework

Collaborate		Create	
Original	*New*	*Original*	*New*
Facilitator Facilitates interaction	**Facilitator** Encouraging participation	**Innovator** Envisions change	**Innovator** Initiating significant change
Mentor Shows consideration	**Empathizer** Showing concern	—	**Visionary** Anticipating customer needs
—	**Mentor** Developing people	—	**Motivator** Inspiring people to exceed expectations
		Broker Acquires resources	—

Control		Compete	
Original	*New*	*Original*	*New*
Monitor Provides information	**Monitor** Expecting accurate work	**Producer** Initiates action	**Producer** Modeling a hard work ethic
Coordinator Maintains structure	**Coordinator** Controlling projects	**Director** Provides structure	—
—	**Regulator** Clarifying policies	—	**Competitor** Focusing on the competition
		—	**Driver** Emphasizing speed

For more information, see Lawrence, K. A., Lenk, P., and Quinn, R. E. Forthcoming. "Behavioral Complexity in Leadership: The Psychometric Properties of a New Instrument to Measure Behavioral Repertoire." *The Leadership Quarterly*.
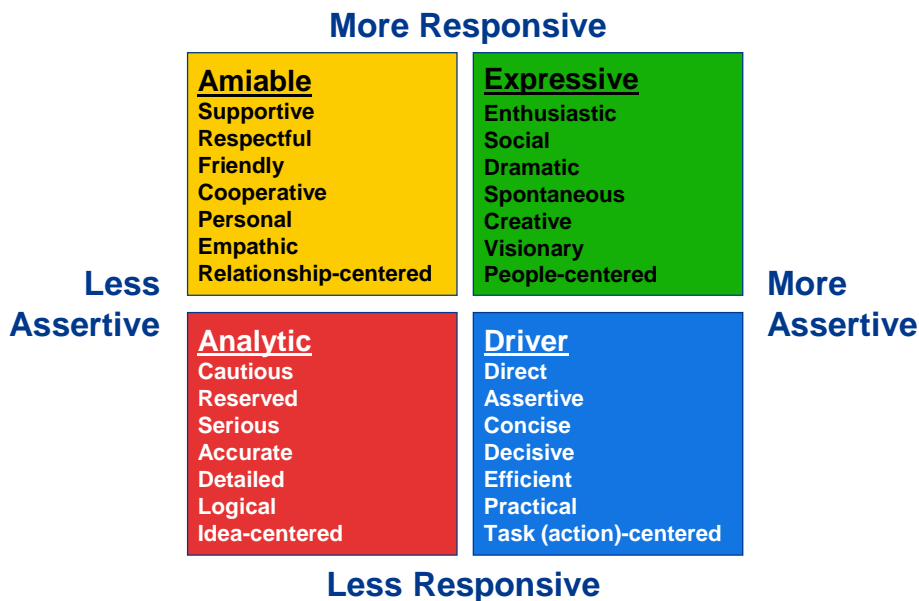
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Social Style Model (Merrill & Reid 1984)

- 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.

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Social Style Types

More Responsive

Less Assertive

More Assertive

Amiable	**Expressive**
Supportive	Enthusiastic
Respectful	Social
Friendly	Dramatic
Cooperative	Spontaneous
Personal	Creative
Empathic	Visionary
Relationship-centered	People-centered

Analytic	**Driver**
Cautious	Direct
Reserved	Assertive
Serious	Concise
Accurate	Decisive
Detailed	Efficient
Logical	Practical
Idea-centered	Task (action)-centered

Less Responsive

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Communicate Appropriately

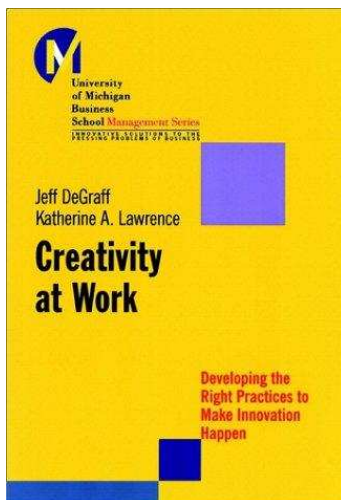| Communicate by:	Communicate by:
▪ Use experiences that relate to the audience	▪ Look at the big picture
▪ Use examples to illustrate the point	▪ Make it colorful and visual
▪ Be helpful and user friendly	▪ Use metaphors
▪ Acknowledge emotional issues	▪ Look at the future
Expect them to:	▪ Make it conceptually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

The Denison Model of Culture and Leadership

From http://www.denisonconsulting.com/
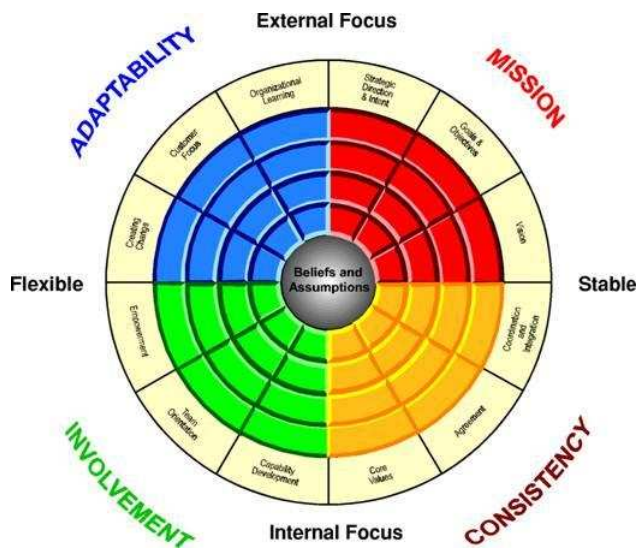
How else can you apply this?

*How is this relevant
in a university setting?*

Questions?

**Jeff DeGraff
Katherine A. Lawrence**

**Creativity
at Work**

**Developing the
Right Practices to
Make Innovation
Happen**

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