

“Managing by Values” (MBV):  
Innovative tools for successful micro behavioral conduct  
**Anat Garti and Simon L. Dolan**

“Values values on the wall, just do the business and forget them all” wrote Liran and Dolan (2016)<sup>1</sup> as a title for one of many articles Dolan wrote with colleagues on working with values in organizations. The message is clear. In many cases, organizations do not consider values seriously. They adorn themselves with nice values and miss the core idea of values – managing the way we think, feel and behave. The objective of this short paper is to propose a series of ideas on how to render the **MBV** concept truly operational, so that the full potential of this revolutionary concept can be rendered instrumental. The tools and methodology have been developed and experienced in different settings and they really do not fail – they deliver excellent results.

How do values become a daily reality rather than an empty declaration on the wall? To this end, Dolan developed over the years several models that invite organizations and individuals to examine what is important to them and manage their life accordingly – Management by Values (**MBV**) with its core model of the 3Es Tri-axial focus (Dolan, Garcia & Richley, 2006; Dolan, 2011 and 2019)<sup>2</sup>. Over the years, and as a result of Garti’s

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<sup>1</sup> Liran, A., & Dolan, S. (2016). Values, Values on the wall, Just do business and forget them all: Wells Fargo, Volkswagen and others in the Hall. *The European Business Review*. October; and, Liran A., Dolan S.L., (2017) United Airlines, Artificial Intelligence, and Donald Trump: Reawakening Values in the Era of Fake Service, Fake Reality, and Fake News, *The European Business Review* June

<sup>2</sup> Dolan S., Garcia S., and Richley (2006) B., . *Managing by values: A Guide to Living, Being Alive, and Making a Living in the XXI Century*. Palgrave-MacMillan, London (U.K); and Dolan S.L., (2011). *Coaching by Values: A Guide to Success in the Life of Business and the Business of Life*. iUniverse. Bloomington, IND. Dolan, S.L., (2019) *Más coaching por valores*. Madrid, LID editorial.

work as an organizational consultant and as a couples and family therapist, several complementary tools were developed and will be described hereafter. In this paper four of these tools are described: (Tool # 1) Behaving Your Values, (Tool #2) The value of the “Values’ Pie”, (Tool #3) The value of the “Value Anchor”, and (tool #4) The value of the “Value Message”. All these tools represent different components of the full **MBV** model. A particular set of applications was recently described in a short book addressed to parents and entitled “*The parent as a value anchor*” (Garti & Dolan, 2016)<sup>3</sup> as well as Chapter 7 (in Spanish) in Dolan most recent book entitled: *Más Coaching por valores* (Dolan 2019)<sup>4</sup>.

It all begun with Dolan and colleagues description of the evolution of the school of thoughts in management due to the increasing complexity in the environments that organizations operate. Figure 1 summarizes this evolution that started with **MBI** (Managing by Instructions) to **MBO** (Managing by Objectives) and finally to **MBV** (Managing by Values). The evolution is driven by the need to manage environmental and intra-organizational complexities.

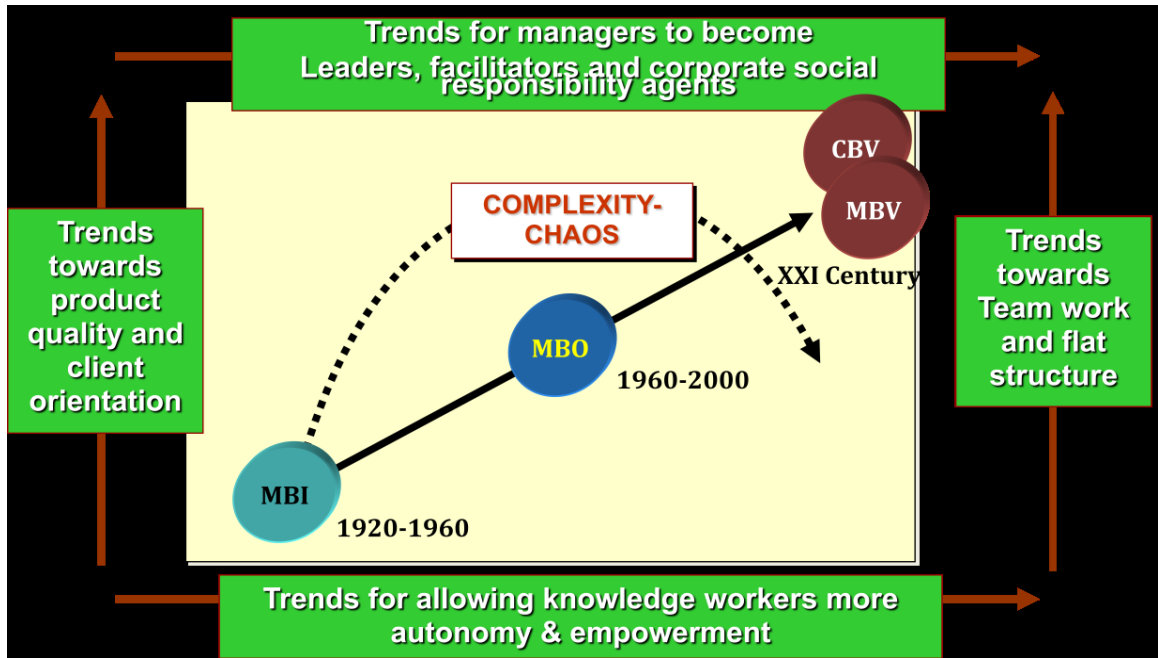
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<sup>3</sup> Garti, A and Simon L. D (2016). *The parent as a value anchor*. Gestion M.D.S. Inc.

<sup>4</sup> Dolan S.L. (2019) *Más coaching por valores* , Madrid, LID editorial

Figure 1:

Dolan description of the evolution of management philosophy at the macro level



Because the environment has changed so dramatically, managers have found it necessary to alter their practices in order to meet the needs of the times. In the early 20th century, Management by Instruction (**MBI**) was considered to be an appropriate and adequate way to run an organization. Change happened at a slower pace and therefore the way things were done in the past worked well enough to pass on to others. By the 1960s, change was accelerating to the point where more flexibility of action was required by managers. Thus, the introduction of Management by Objectives (**MBO**) enabled managers to agree on a direction and to choose their own strategy. As changes in the environment began to intensify (e.g., global competition, impact of technology, global economic crisis, etc.), MBO proved to be an insufficient strategy for managing in an interconnected and fast-paced VUCA world.

In fact, organizations still relying on MBO often discover that their managers fail to meet their objectives. Frustration also increases when, despite their best efforts, they are unable to determine what went wrong. Many times, it is not that the goals were lofty or unrealistic; simply, many unforeseen changes occurred that were not and could not have been predicted. As a result of this growing complexity, scholars began to draw upon chaos and systems theories to better understand organizational behavior. During this period, organizations came to be seen as complex and dynamic systems existing in a state of flux and interaction with their environment. Years of research have confirmed that the key to understanding the behavior of such systems is to understand the corresponding values of these living systems. Values systems are the motivators that drive the behavior of individuals, organizations and society, leading today to the emergence of Management by values (**MBV**)

### **Tool #1: Behaving Your Values or Translating values into everyday behavior**

Values are an abstract concept. For us, at the micro level, to be able to conduct our everyday life according to our values, require a methodology enabling to translate these abstract concepts into concrete behaviors. For this translation process we borrow the evolution from management by instruction (MBI) to management by objectives (MBO) and then to the present concept of managing by values (MBV) which truly helps to leap into the future, as it helps built an excellent compass in a VUCA world ( Dolan, 2016,

Dolan, 2019)<sup>5</sup>. When translating values into behavior, we found it most useful to proceed in the opposite direction, which means from MBV to MBO and finally to MBI. It really works well at the micro level. In translating values into behavior, one should dismantle the abstract value identified in the (MBV) phase, into concrete objectives (MBO) and finally into one or several contingent context specific behaviors (MBI). A best way to support this argument is to show an example. Here comes one:

David a manager in a software company, wanted to live his life by the value of “*respect*” (MBV). He should ask himself: *what does it means to live by this value? What are the objectives* (MBO – Managing by Objectives)? In this case, David dismantled the value of respect into two objectives: *To live my life in a way that (1) makes sure that the other feels worthy, and (2) sees and takes into account the needs of the other*. Now, each one of these objectives needs to be further dismantled into everyday behaviors, answering the question:” *What should I do in order to meet these objectives?*” As a true example, let’s use the case where David, had to give feedback to a colleague; thus he consciously makes the effort to give the feedback in a way that ensures that the colleague feels worthy and respectful after hearing the feedback. Another example is when David had to take a decision that affects his family. In that case, he considered the needs of his family, before taking the decision. Table 1 depicts this example.

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1. <sup>5</sup> Dolan S.L. (2016) Reflections on Leadership, Coaching and values: A framework for understanding the consequences of value congruence and incongruence in organizations and a call to enhance value alignment, *The Study of Organizations and Human Resource Management Quarterly*, July, Vol 2(1):56-74; Dolan S.L. (2019) Más coaching por valores , Madrid LID editorial. The English version of the book will be available in the Fall of 2019.

**Table 1: Translating values to behaviors through MBV-MBO-MBI – example #1**

MBV	Respect
MBO	(1) Ensure that the other feels worthy.  (2) Consider the needs of the other.
MBI	<ul style="list-style-type: none"> <li>• Provide feedback in a way that ensures that the colleague feels worthy and respected.</li> <li>• Assess and consider the needs of my family before making the decision that affects them.</li> </ul>

Another example, is taken from our book “The parent as a value anchor” . It is showing how to translate the value “being a good brother”.

If one of the values, that the parent wants his/her child is to conduct himself by being a good brother (or the value of “good brotherhood”), he/she should translate the value into its objectives, or, in other words, into the meaning of good brotherhood for him/her. He/she can say that the meaning of “good brotherhood” means (1) protecting your brother when he is being bullied, (2) showing an interest in your brother, and (3) be generous to your brother. Each one of these objectives needs to be further divided into everyday behaviors. If one of the brothers, Dan, has an important test, the parent should encourage his brother to display an interest and tell him: "Dan had an important test today, he is **your brother**, and he would be very pleased if you display **interest** in him and ask him how did the test go".

Table 2 provides a synthesis for this example. It’s important to note that there are many behaviors/instructions that can meet one objective. When we write the behaviors/instructions (MBI), we write only some of them to demonstrate the way that one can meet this objective.

**Table 2: Translating values into behaviors through MBV-MBO-MBI – example #2**

MBV	Being a good brother or good brotherhood
MBO	<p>(1) Protecting your brother when he is being bullied.</p> <p>(2) Taking interest in your brother.</p> <p>3) Being generous to your brother.</p>
MBI	<ul style="list-style-type: none"> <li>• When friends are bulling Dan, his big brother goes there with his friends and stop the bulling immediately.</li> <li>• When Dan had an important test, to go ask him how the test went</li> </ul>

### **Tool #2: The Value of the “Values’ Pie”**

Managing by Values (**MBV**) aims to help us create a set of value that direct us towards being more productive, more ethical and, all in all, more satisfied human being.. These three goals are also the three groups from which the set of the values should be formed. Dolan 3Es Tri-axial model of Values <sup>TM</sup> as described in Dolan, Garcia and Richley (2006) or Dolan (2011,2019) argues that a full, balanced and healthy life needs to include three groups of values: the economic-pragmatic group, the ethical-social group and the emotional-developmental group.

- 1. The economic-pragmatic group** deals with values that direct behavior in an effective manner which is instrumental in achieving our goals in life or at work. This group includes values such as excellence, planning, diligence, flexibility, efficiency, etc. This group of values encourage us to be productive people. The economic-pragmatic group is labeled as the **red axis**.

2. The **ethical-social group** deals with relationships, values that direct behavior of thoughtfulness, influence, loyalty, tolerance, etc. This group of values encourage us to be ethical and social. The ethical-social group is labeled as the **blue axis**.
3. The third group is the **emotional-developmental group**. Because of our pursuit of life, people often do not take this value group into consideration. This group deals with the orientation for a life filled with interest, with passion, and with finding the path of life that will be good for a certain person. Values from this group will enable us to grow up as a fulfilled person. The emotional-developmental group is labeled as the **green axis**.

The *Values' Pie* integrates the Dolan “3Es *Tri-axial model*” and the Garti “*behave your values model*” as has been described above and thus creates a clearer picture of the way one wants to manage his/her life. The *values' pie*, as we describe hereafter, has four ingredients:(1) The correct portion of each axis in one’s life. According to the *Tri-axial model*, if the pie contains all three axes, one can divide the whole (the 100%) in any way that suits him/her. (2) Each slice of the pie contains the values of that axis. Each slice contains up to 3 values, so that the total values in the pie will be between three to five values. (3) The size of the font of each value expresses the importance of the value for the *Values' Pie* owner. A value that is written in a small font represent a relative less important value compared to a value that is written in a bigger font. (4) Each value has its objectives (MBO), up to 5 objectives to each value.

Figure 2 is an example of David’s *values' pie*. In this example, the economic-pragmatic axis is 25% of the pie, meaning, the pragmatic portion he wants in his life is 25%. The 75% left is divided equally by the ethical-social axis and the emotional-



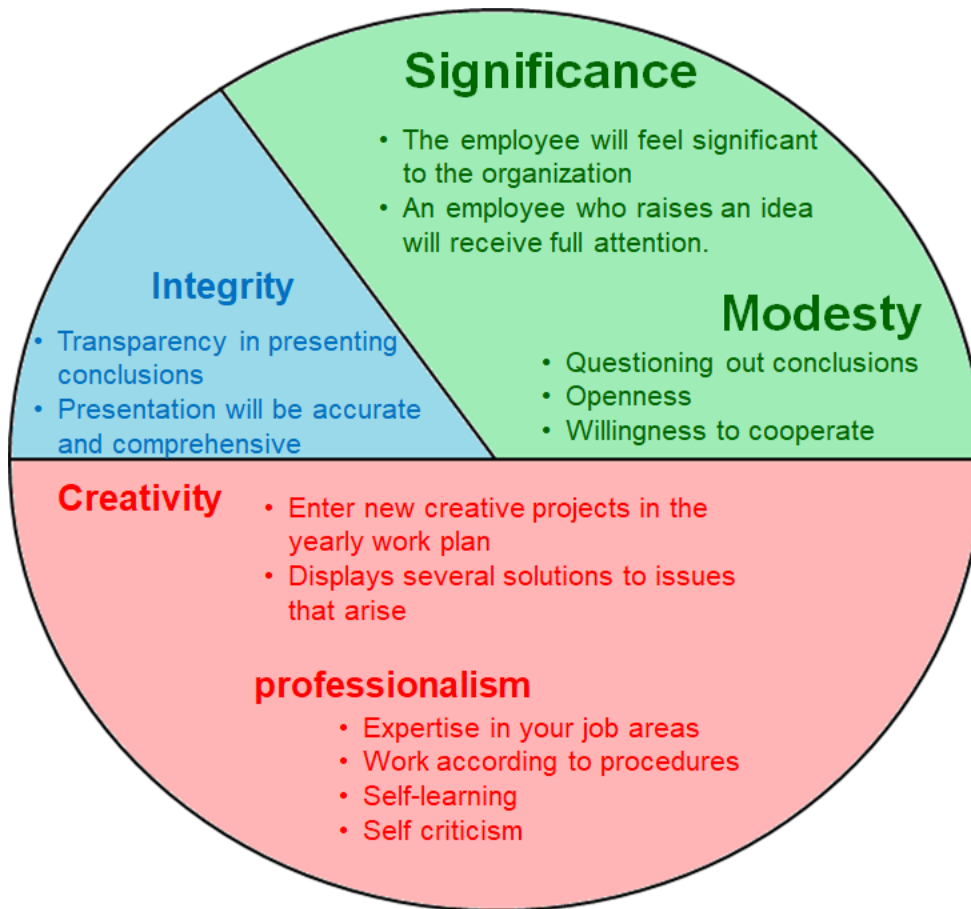
developmental axis. The economic-pragmatic axis contains one value – ‘excellence’, which is operationalized in two objectives: (1) Be competent in what you do, and (2) to make sure that whatever you do is in “high standard of quality and accuracy”. The ethical-social axial contains two values, ‘family’ and ‘respect’. Through the font you can notice that ‘family’ value is more important to David than the ‘excellence’ value and the ‘respect’ value, both are smaller than the font of the ‘family’ value. The ‘family’ value contains two objectives (MBO): (1) Giving the family priority, (2) Initiating family experiences. The ‘respect’ component includes: (1) Making sure that the other feels worthy, and (2) Considering the needs of the other. The emotional-developmental axis has one value, ‘vitality’ with two objectives: (1) Experience things in its full maximum richness, and (2) Initiate meaningful experiences. The ‘vitality’ value is as important as the ‘family’ value, as can be seen by its font size.

**Figure 2: The Values' Pie – example #1 in Family context**



As can be seen in figure 2, the *values' pie* gives a holistic view of the set of values- the axes distribution, the values that are in each axis, their importance and their objectives. The pie reflects the way one wants to manage his/her life. Worth noting is that one should take a great deal of time and attention in exploring and building his/her *values' pie*. Figure 3 is another example of a *values' pie*. This example is of an organization *values' pie* context.

**Figure3: The Values' Pie – example #2 in an organizational context**



### Tool#3: The value of the “Value Anchor”

A value is not a dichotomous phenomenon (having or not having), but rather a phenomenon that runs on a continuum characterized by behavioral space. Using the anchor as a metaphor, behaving by values means behaving in boundaries that the rope of the anchor enables—not too firm and not too flexible. For example, an honest person is not a person who has never lied, but a person that in his essence is honest and the times he has been dishonest are very incidentals and rare. Each person decides for himself/herself what is the correct “**length**” of his/her rope. When one’s rope is too long and it means that the behavioral space is too wide; and when a person behaves most of his time in spaces far away from his/her anchor, then we will say that this person is dishonest. The anchor is designated to secure a sea craft to a certain place in the ocean, without the vessel being carried away by the wind, the waves, and the flow of the ocean or any additional factors. Similarly, the value anchor is designated to confine the person to a correct behavioral space, without him/her being carried away by inner (psychological needs) or outer (social pressure) determinants.

In his book “*The (Honest) Truth about Dishonesty*” Ariely (2013)<sup>6</sup>, describes opposing forces which motivate our behavior. On the one hand, a person wants to think of himself as an honest and respectable person and wants to feel good about himself. On the other hand, a person wants to benefit from some circumstances. Ariely elaborates the concept of the flexibility of thoughts that enables a person to cheat a little and still feel good about

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<sup>6</sup> Ariely D., (2013). *The (Honest) Truth about Dishonesty*. Harper Perennial; Reprint edition (June 18, 2013)

himself. The purpose of the value anchor is to enable a person to follow his value system, even if sometimes he must round corners, if it is not his main course of action.

The value anchor space contains behaviors/instructions (MBIs), of an objective (MBO), and of a value (MBV). Figure 4 is an example of a value anchor for developing a team. In this example, the value the team agreed upon is “**planning**” (which is a pragmatic-economic value); the objective for which they designed the space is “working according the working-plan”. In the value space, they put uncompromising planning behaviors/instructions close to the anchor, things like : “Do not start a task before it is coordinated with the work plan”. This is the expected behaviors/instructions from the team members. A behavior/instruction that is a bit further away, but still near the anchor, is for example “Start a task and make sure later that it is coordinated with the work plan”. Further out is “It is not up to date in the work plan, but I coordinated with the other managers of the project”. This is at the edge of the space; the anchor rope cannot get further away. Team members should not behave this way. Completely out of the value space, they put the behaviors/instructions “It is not up to date in the work plan but never mind, it will be O.K”. They agreed that they will never behave this way.

**Figure 4: Value anchor – example #1**

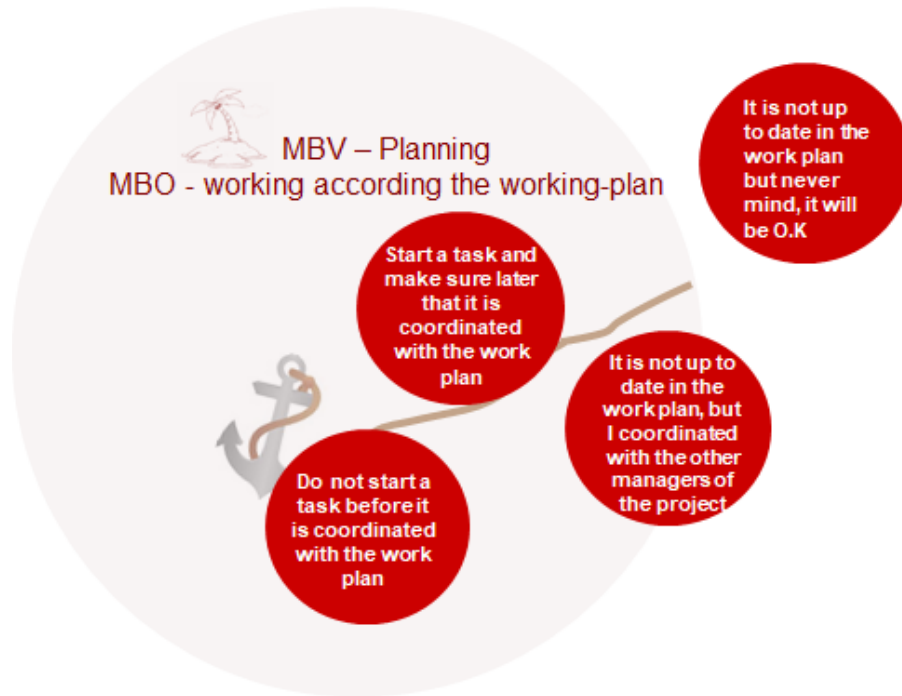
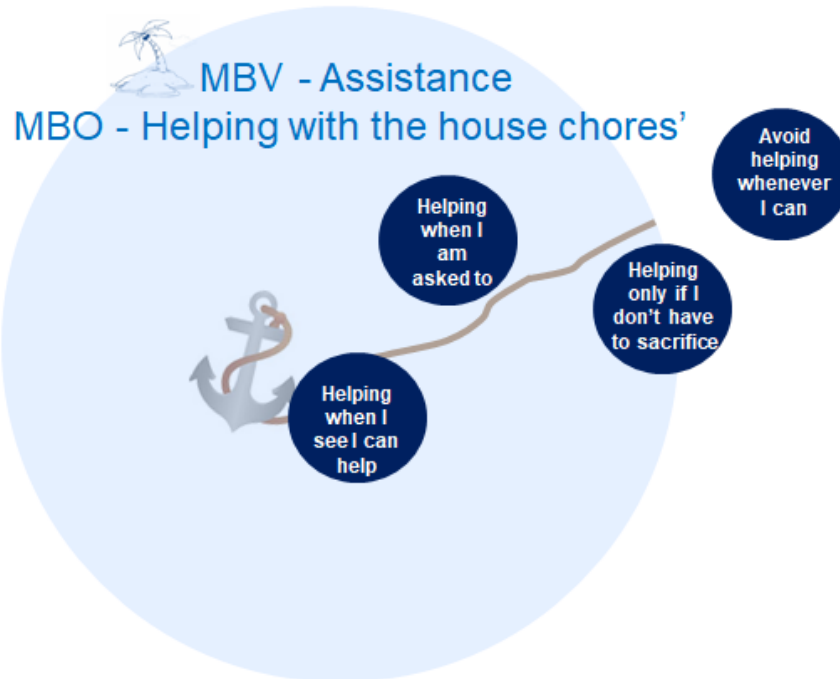


Figure 5 is another example of a value anchor, this time in a family context. The value in this example is “assistance”, with the objective of “helping with the house chores”. The value is part of the ethical-social axis.

**Figure 5: Value anchor – example #2**



Having a values' pie and a value anchor for each objective in the pie, gives a full map of how a group should behave if they want to manage their group by these values. Leaders have a challenging task of helping their followers assimilating this *values' map*. It can be a parent educating his/her children to behave according to a *values' map* they think is the right way to behave, or it can be a manager helping his/her followers assimilating a *values' map* they have agreed upon. It is important to note that the *values' map* should be designed together with the followers and not be imposed on them, however this is beyond the scope of this paper.<sup>7</sup>

<sup>7</sup> If you wish to read more about Leadership by values , we recommend [www.leadershipbyvalues.com](http://www.leadershipbyvalues.com) or read Dolan (2018) Liderazgo, direccion y coaching por valores, Punto Rojo (Amazon.com) or see the forthcoming book in English: Leading and Coaching by Values, (forthcoming Fall, 2019).

## **Tool #4: The value of the “Value Message”**

After designing the *values' map* the leader must help the followers assimilate this map in their daily conduct. One effective tool is the *value message*. The value message has the structure of MBI-MBO-MBV. An example can be when a worker tells his manager he wants to take a vacation in the end of the month. A *value message* can be “You cannot go on vacation a week before delivering the project. You are a team leader and you should show your dedication by matching your private vacations to the project schedule”. In this case the message is built from the following blocks:

**MBI:** Not to take a vacation a week before delivering the project.

**MBO:** Match your vacations to the project schedule.

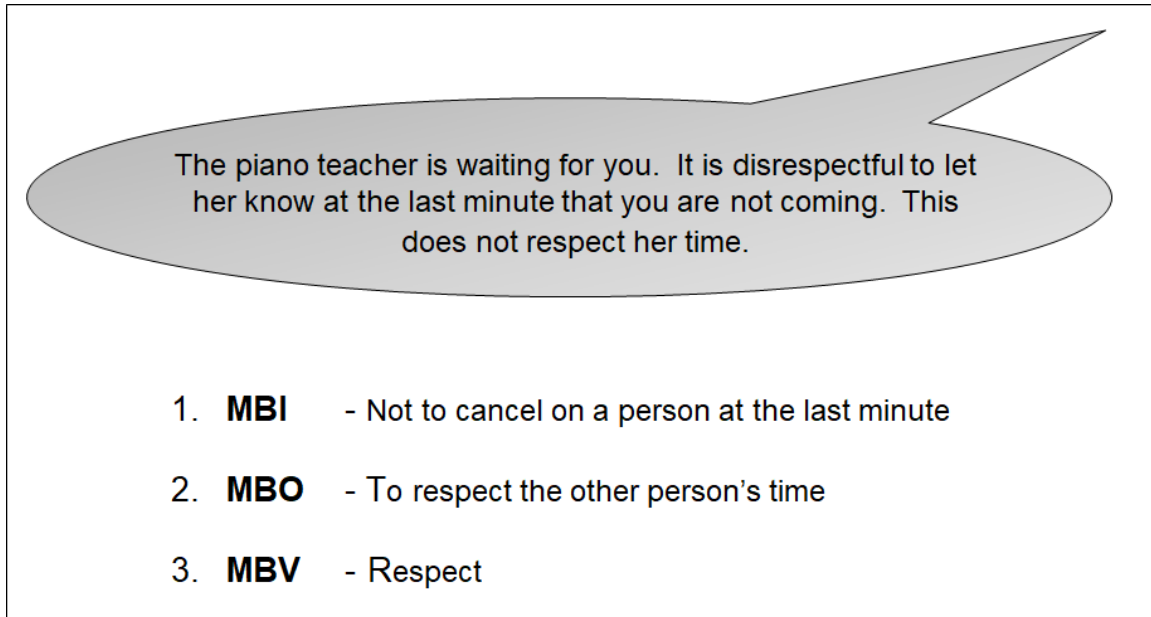
**MBV:** Dedication

An example from the family context can be when your child asks not to go to a piano lesson, and instead wants to go see a friend who invited him over. As depicted in figure 6, instead of saying “no”, which does not convey an educational message, and does not allow the generalization of the situation to other situations, we recommend conveying a message that has an educational value. You may say, "The piano teacher is waiting for you. It is disrespectful to let her know at the last minute that you are not coming. This does not respect her time." In this case the value is “respect”, the objective is “to respect the other person’s time” and the behavior is “not to cancel on a person at the last minute”. You may also say, "When you asked to have piano lessons, you took responsibility to attend the classes and to practice between classes. I think you should respect this." In this case



the value is “responsibility”, the objective is “standing up to your commitments” and the behavior is “to go to the lesson that I committed myself to”.

**Figure 6: Value message – example**



As leaders, messages are transferred via everyday conduct. All day long leaders suggest, pay compliments, ask their followers for things. If they succeed, to build their messages in a MBI-MBO-MBV structure - to add to the behavior, the objective and the value, these things will be internalized, and the follower will be able to generalize and to understand how he should behave in other situations.

### **Conclusion**

Values are people's motivators. For most people they are *unconscious motivators*. However, in a highly successful organizations, or healthy families, each member is aware of their personal values and how these relate to the organization/family value system. In this case, values are *conscious motivators* because there is congruence between the

individual and the organization/family. Managing by values provides an effective way for managers and for parents to tap into a genuine source of motivation.

The managing by values (MBV) model which renders operational the four complementary tools described in this paper invite every person and group to carefully explore what is important to them in life/organization/family, how they wish to manage their life/ organization/family and to live and lead that way. It produces quasi miracles and outstanding results not only at the macro level (organization), but also at the micro individual level. We invite you to experiment with it and communicate with us if you obtain satisfactory results.

### **Authors Bio:**

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