



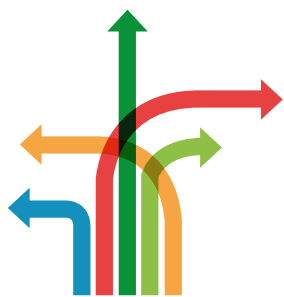
“Managing by Values” (MBV): Innovative tools for successful micro behavioural conduct

BY ANAT GARTI AND SIMON L. DOLAN

“Values values on the wall, just do the business and forget them all” wrote Liran and Dolan (2016)¹ as a title for one of many articles Dolan wrote with colleagues on working with values in organisations. The message is clear. In many cases, organisations 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.

& Richley, 2006; Dolan, 2011 and 2019; Dolan 2020)². Over the years, and as a result of Garti’s work as an organisational 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)³ as well as Chapter 7 (in Spanish) in Dolan’s most recent book entitled: *Más Coaching por valores* (Dolan 2019)⁴.

It all began with Dolan and colleagues’ description of the evolution of the school of thoughts in management due to the increasing complexity in the environments that organisations operate. Figure 1 summarises 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-organisational complexities⁵.



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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 organisations 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

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 organisation. 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, organisations 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 organisational behaviour. During this period, organisations 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 behaviour of such systems is to understand the corresponding values of these living systems. Values systems are the motivators that drive the behaviour of individuals, organisations and society, leading today to the emergence of Management by values (MBV).

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

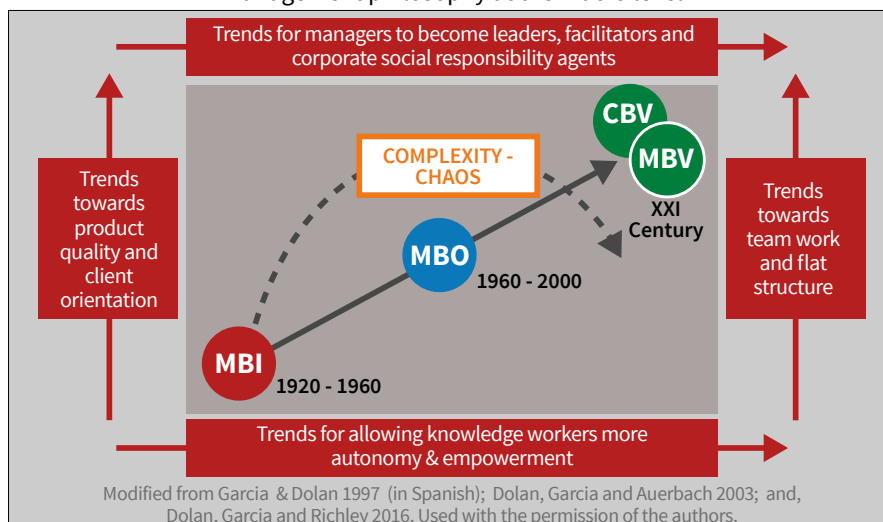
Values are an abstract concept. For us, at the micro level, to be able to conduct our everyday life according to our values, require a methodology enabling to translate these abstract concepts into concrete behaviours. For this translation

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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, 2020)⁶. When translating values into behaviour, 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 behaviour, one should dismantle the abstract value identified in the (MBV) phase, into concrete objectives (MBO) and finally into one or several contingent context specific behaviours (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 mean 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 behaviours, answering the question: “What should I do in order to

Figure 1: Dolan and colleagues’ description of the evolution of management philosophy at the macro level



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.



Managing by Values (MBV) aims to help us create a set of values that direct us towards being more productive, more ethical and, all in all, more satisfied human being.

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 behaviours. 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 behaviours/instructions that can meet one objective. When we write the behaviours/instructions (MBI), we write only some of them to demonstrate the way that one can meet this objective.

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

Managing by Values (MBV) aims to help us create a set of values 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™ as described in Dolan, Garcia and Richley (2006) or Dolan (2011, 2019 and 2020) 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 behaviour 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 behaviour 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

Table 1: Translating values to behaviours 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"> • Provide feedback in a way that ensures that the colleague feels worthy and respected. • Assess and consider the needs of my family before making the decision that affects them.

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

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

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 operationalised 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.

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

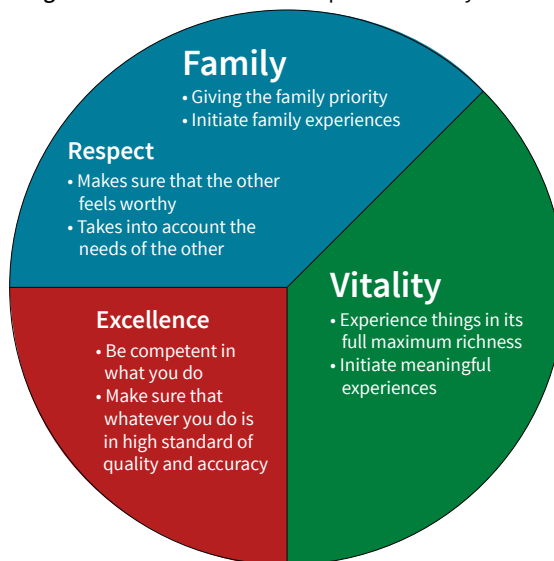
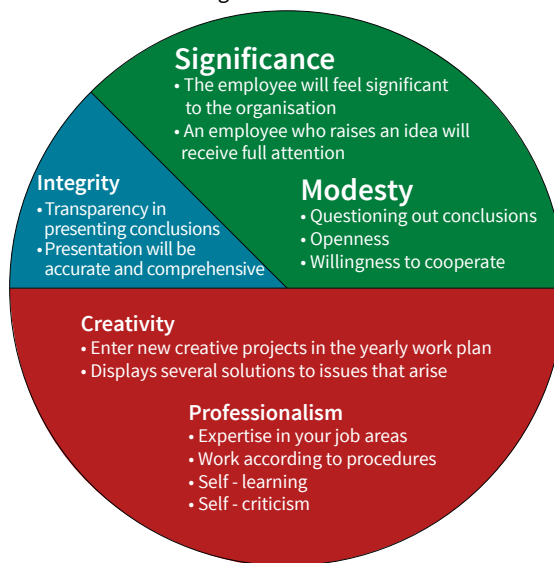


Figure 3: The Values' Pie – example #2 in an organisational context



and (2) Initiate meaningful experiences. The ‘vitality’ value is as important as the ‘family’ value, as can be seen by its font size.

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 organisation *Values' Pie* 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 characterised by behavioural 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 incidental 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 behavioural 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 behavioural 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), describes opposing forces which motivate our behaviour. 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 circumstances⁷. Ariely elaborates the concept of the flexibility of thoughts that enables a person to cheat a little and still feel good about 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 behaviours/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

Figure 4: Value Anchor – example #1

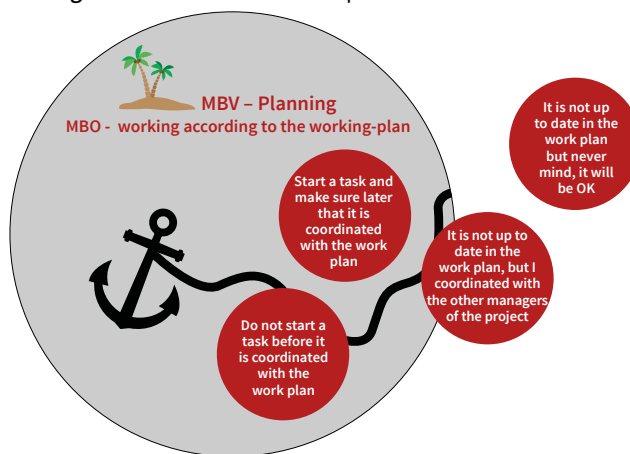


Figure 5: Value Anchor – example #2



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 behaviours/instructions close to the anchor, things like: "Do not start a task before it is coordinated with the work plan". This is the expected behaviours/instructions from the team members. A behaviour/instruction that is a bit further away, but still near the anchor, is for example "Start a task

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.

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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 behaviours/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 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.

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.⁸

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 generalisation 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 behaviour 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 behaviour is “to go to the lesson that I committed myself to”.

As leaders, messages are transferred via

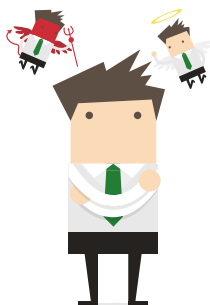


Figure 6: Value Message – example

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.

- 1. **MBI** - Not to cancel on a person at the last minute
- 2. **MBO** - To respect the other person’s time
- 3. **MBV** - Respect


Values are people's motivators. For most people they are **unconscious motivators**. However, in a highly successful organisations, or healthy families, each member is aware of their personal values and how these relate to the organisation/family value system.

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 behaviour, the objective and the value, these things will be internalised, and the follower will be able to generalise 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 organisations, or healthy families, each member is aware of their personal values and how these relate to the organisation/family value system. In this case, values are *conscious motivators* because there is congruence between the individual and the organisation/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/organisation/family, how they wish to manage their life/organisation/family and to live and lead that way. It produces quasi miracles and outstanding results not only at the macro level (organisation), but also at the micro

individual level. We invite you to experiment with it and communicate with us if you obtain satisfactory results. 

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- If you wish to read more about Leadership by values, we recommend www.leadershipbyvalues.com or read Dolan (2018) *Liderazgo, dirección y coaching por valores*, Punto Rojo (Amazon.com) or see the forthcoming book in English: Dolan S.L. (2020) *The secret of Coaching and Leading by Values: How to ensure alignment and proper realignment*. Routledge (forthcoming).

