



Living by your values- case studies of great places to work

- Prasenjit Bhattacharya

How many organizations have sacked their highest paid executive for violating company values? Not for financial impropriety or breaking the law, but for violating core values of the organization?

In a great place to work, senior managers are role models upholding organizational values, so there is no question of sacking anyone from the top team for violation of company values. Right?

Wrong! What sets apart many of these workplaces is not absence of value violations-sometimes even by senior managers, but how such violations are dealt with. The highest paid executives at Infosys and Mindtree had to leave so that the organization could be perceived to be upholding the values it swears by.

Mindtree even comes out with a booklet- “On Integrity” to document instances of behaviour not in line with their values. Why would an organization try to publicise such stories of a few people? Are they not better off dealing with such issues behind closed doors? Is it not like washing dirty linen in public? Will employee morale not come down if misdemeanours of senior leaders are publicised internally?

Yet employees of Mindtree and Infosys have voted for their employers as great workplaces in the past. What do these organizations gain by sharing instances of values violation with their employees, and taking prompt exemplary action?

In one word the answer is- Credibility.

Credibility of management is the reason why such workplaces can get away without impacting their employer brand, even if they take unpopular decisions. “ I don’t agree with the recent decision of _____ taken by management; but what the heck, even the CEO is not exempt, I guess they don’t have double standards,” said an employee about a recent “unpopular” decision taken in Infosys, referring to how the same standards are applied to the CEO.

Infosys fined its chief executive for not reporting on time a change in his share ownership. The audit committee of Infosys imposed a fine of Rs 500,000 (\$12,658) on S Gopalakrishnan for “inadvertently failing” to notify the company within one business day following the change in his shareholding. Gopalakrishnan had inherited 12,800 shares from his mother.

And guess what, Infoscians are proud of such instances. As long as such examples remain, employees can be sure that their organization will never be another Satyam in the making.

So my first learning from value based organizations is that if you are a value based organization, you will have examples of value violations as well. If you are working

in a squeaky clean organization with no reported instances of value violations, beware!

In great workplaces values are not posters. Johnson & Johnson's Credo is a living document that guides action. All major decisions in the Company have to pass through what the Company calls as "Credo based decision making model". Most people know about the Tylenol example way back in 1982 (read the case study in this magazine). Not many may know how J&J follows the credo on a day to day basis. The Group Chairman of the Company flew down from US to tell one of their most important customers in India that they do not want his business because the actions of this Doctor were not in line with the Credo. A whole consignment of sanitary napkins was withdrawn from the market in India when it was found that one earring in one packet (ear ring is a freebie!) was corroded.

J&J has seen 40 years of double digit growth and 60 years of higher & higher returns to shareholders. Similarly, the 20 Basics of Marriott, or the Bluebox values of AmEx , or the CLASS values of Mindtree not just define who they are, but also how they do business. Values when practiced can be a competitive advantage. A recent case in point is in the telecom industry in India where a number of major players had to restate their consumer numbers after closer inspection by the regulatory authority. One is reasonably sure that a Tata Group Company in the same industry is unlikely to be on that list. So if you are a long term investor or a long term customer, would you make a large deal with a company whose numbers are suspect, or would you go with someone who has a reputation for practicing their core values?

However, great places to work practice core values not because of its business benefits. They will do so even if it is a business barrier. Which is why, perhaps, the major part of the Tata Group revenues is from outside the country.

New comers in great places to work quickly find out the importance of values – from their experience. Intel trains their hiring managers on how to conduct behavioural event interviews to assess values in prospective candidates. As I write this article I am reading the book, "The Qualcomm Equation" a must read for every new Qualcomm employee. The book not only generates pride by describing how a fledgling telecom company forged a new path to big profits and market dominance, but also reinforces what Qualcomm stands for. That is not all. For the first 52 weeks, newcomers get an email story on Qualcomm values – called 52 weeks at Qualcomm. My personal favourite example is from a company called Sasken which featured in many Best Employer lists, including ours, in the past. Newcomers would interview existing employees, to discover the core values of the company and would present them during the induction, rather than the other way round, where the company presents slides on core values. There is always an interesting discussion that ensues between what the new comers have "discovered" and what the company says are its core values.

As much as clarifying core values is important, unearthing value dilemmas is even more important. The Aditya Birla Group trained hundreds of "Value Facilitators" who would conduct sessions on practical difficulties in practicing the values and how to deal with them. For example, if Integrity is one value, what do you do when the Boiler Inspector comes to your plant and demands a bribe, and threatens to close

down the factory otherwise? Values are important in an organizational context only because they can guide individual action. The best known case study is that of Texas Instruments who “invented” the “Ethics Test”. The quick ethics test of the company includes questions like the ones below:

- Is the action legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in the newspaper?

Employees are told in no uncertain terms - If you know it's wrong, don't do it! If you're not sure, ask. Keep asking until you get an answer.

What sets apart great places to work is their willingness to take feedback. The Credo Survey at J&J does not depend on availability of budgets. RMSI is a company that has featured as number one in our List of Best Workplaces for the last two years. The values survey of RMSI is extended to not just employees, but also suppliers and customers- people who can observe company values being practiced when faced with market realities.²⁴ by 7 Ethics Hotlines are now an established part of many great workplaces- Qualcomm, Marriott, Freescale, CSC,ST Microelectronics, Sapient, Godrej Consumer etc. Many, like Cadburys provide such hotlines in regional languages to make it easier for their people to access them.

I have sometimes used the term “ethics” with “values”. Though, I have referred to values in terms of human values like respect for people, values need not be only about ethics. Collins define core values as a set of guiding principles by which a company navigates. It could be, for example, about Customer Orientation, Execution, or Innovation.

What we have discovered in numerous exercises of creating shared values is that it is not the words which are most important, but the process of tapping in to the collective goodness available in any group, articulating it and giving it direction in the form of an inspiring vision. Values make you restless. If you know what you deeply believe in, you are more likely to find a direction that will help you to live your values. Organizations with strong values often have an accompanying vision to change the world for the better.

It is perhaps our unique destiny, that we are the only species in this world that can change things for the better or worse. The outcome, I believe, depends on whether we are driven by values, or instinct.

Prasenjit Bhattacharya is CEO of The Great Place to Work® Institute, India. Views expressed are personal. He can be contacted at pbhattacharya@greatplacetowork.in