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# The Values of “Insightfully Aware” Leaders



By Ian C. Woodward , INSEAD Affiliate Professor of Organisational Behaviour and Programme Director of the INSEAD Advanced Management Programme

## **The ability to identify and communicate values is critical to self-awareness and leadership development.**

Values are the principles and standards that motivate us in life. They are our basic convictions; our belief that tells us what is right, good, or worthy. They guide our thinking and actions like an internal compass.

Values serve as standards through which all decisions are assessed. They are the “givens” that map out the choices before and during the decision-making process. They are with us throughout the journey of leadership.

Most people have an idea about what they value, although the reasons behind their values are not always clear. By really knowing and articulating our values, we gain deep insights into our behaviours, the way we interact with others, and the lenses through which we make our decisions.

Exploring values forms a critical basis for self-awareness – which is essential for leadership success. Understanding values is a key element of what I

describe as, “insightfully aware leadership”.

## Understanding Values

By identifying our own individual set of values – whether personal, work or organisational – we can better recognise and accomplish the goals that are truly important.

Although values are abstract (such as trust, respect, integrity, achievement, making a difference and so forth) they are witnessed through our concrete behaviours and actions.

Studies show that values impact employee satisfaction, commitment, productivity and performance. Values influence perceptions of satisfaction with leaders – and intentions to stay or leave. Values affect organisational behaviour, ethics and citizenship. In a work scenario, successful leaders need to communicate, define and role-model shared values with others, to create a cohesive team striving for a common purpose.

Given the important impact that values have in all areas of our life, it is crucial to understand exactly what they are, how they operate, and what influences them.

In extensive research with my INSEAD colleague, Dr. Samah Shaffakat, we developed an integrated model of the “Personal Values System” – **Understanding Values for Insightfully Aware Leadership**. This builds on the leading values theories proposed by more than twenty different scholars in academic research during the past four decades.

In particular, we expanded on the work of social psychologist and cross-cultural researcher, Shalom Schwartz. He specifies values as voluntarily enduring standards or benchmarks that provide the stability needed for social interaction and group survival. His model identified 10 value types: ***self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence, and universalism***. Through our research, we added another two: ***ethical judgment*** and ***highly abstract*** (such as ‘ultimate happiness’ or ‘bliss’ that is the person’s inner state when their other values are satisfied). Both the Schwartz model, and our “personal values system”, place these 12 values types in a circle and acknowledge that relationships – both compatibility and conflict – can exist between different values we hold.

An explanation of the full system of values type clusters can be found [here](#).

Within our personal values system there is a hierarchy. Values people identify as being most important are ranked at the top, forming their “core” values. While our values (and their hierarchical position) may change, they are relatively stable and shape the perceptions, attitudes and behaviour we carry through all aspects of life.

Values develop initially through one’s upbringing, and social conditioning. Other sources that develop our values include: personality, national culture, gender, religion, age cohorts and adult life stages. Although our values system tends to remain stable over time, it can change with the impact of major life events and stages.

Personal values relate directly to work and organisational settings. This is why the capacity to understand values is of critical importance in leadership development and business performance.

Individual values and organisational values are linked through the idea of work-value compatibility and conflict – impacting behaviours and organisational functioning. For example, when leaders and organisations clearly define and live their values, it is easy to translate workplace expectations for dealing with customers, employees’ roles, and tasks.

When we understand our organisation’s values and direction we can test whether these resonate with our own personal values system. Sometimes our personal values and organisation’s values are not aligned. This “work-values conflict” tends to lead to negative behaviours, marked by frustration, disengagement, and poor performance.

Organisations are becoming increasingly focused on values and their impact on ethicality in operating within global business. However, the reality is that more attention is placed on ethics education and training that emphasises regulations and compliance, rather than engaging and sharing values. This is a shame, as studies show that sharing organisational values clearly affects the way tasks are carried out, and when clearly defined, leads to improved individual and organisational performance and ethicality.

When values are understood and communicated, much more transparent conversations can occur for leaders and managers. These include discussing the dilemmas they face, and feedback from peers about the consequences of

decisions and actions.

From an individual perspective, having clear and conscious values is a key element of “insightfully aware leadership”. It helps executives to increase openness and better understand [one]self, others and situations. Values are central to “authentic” leadership, where the leader is deeply aware of how he or she thinks and behaves, and is perceived as being aware, of his or her own and others, values and strengths.

An “insightfully aware” leader has a profound and clear understanding of his or her purpose and the reasons behind it. Self-awareness of values helps leaders to reflect upon their emotions, goals, needs and motives. Individuals who are able to identify and articulate their values will generate meaningful insights about how they see themselves, the circumstances they face, the behaviours they display, and their potential reactions to specific situations. Comprehending their values (personal, work and organisational) enables leaders to know and accomplish what they believe is important.

As such, values exploration holds an important place in any leadership development initiative, be that coaching, leadership training, executive education courses, or reflection activities. For example, this is one element of the Advanced Management Programme. Here, understanding values helps senior executives to develop profound insights about their “strengths, weaknesses, drivers and blockers” as leaders.

Once armed with deep knowledge of who they are, and what they can be, a transformative blueprint for effective personal leadership and development can be created and implemented.

In work and life, self-aware leaders make tough decisions that will be guided by core values.

One very simple way people can start the journey of thinking more deeply about their values is to remember some specific moments of success, fulfillment, anger and frustration in their personal and professional life. Then reflect on what values were present in these. Try articulating these values and see what insights are generated.

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## **Values Types and the Personal Values System**

Extracted from Ian C. Woodward & Samah Shaffakat:

***“Understanding Values for Insightfully Aware Leadership”***,

INSEAD Faculty and Research Working Paper (2014/46/OBH)

Values can be clustered in 12 types each according to their characteristics. In our research **Understanding Values for Insightfully Aware Leadership** we have expanded on the 10 value types developed by Shalom Schwartz to create the list found below:

### **12 VALUES TYPES**

	Definitions	Word Description Examples
Self-Direction	Independent thought and action; choosing, creating, exploring, and drive.	<i>Capacity to Contribute, Creativity, Empowered, Personally-Engaged/Diligent Freedom/Liberty</i>
Stimulation	Excitement, novelty, optimism and challenge in life.	<i>Energized, Daring, Opportunity-Seeking, Alive, Excited</i>
Hedonism	Pleasure and sensuous gratification for oneself.	<i>Pleasure, Fun, Indulgence, Enjoying Life, Personal Gratification</i>

Achievement	Personal success through demonstrating competence according to social standards.	<i>Accomplishment/Successful, Esteem/ Pride/Confidence, Ambition, Rewarded, Intelligence</i>
Power	Social status and prestige, control or dominance over people and resources.	<i>Powerful, Invincible, Social Recognition, Importance, Authority/Decisive, Affluence/Wealth</i>
Security	Safety, harmony, and stability of society, of relationships, and of self.	<i>Security, Safety, Healthy, Financially-Independent, Sense of Belonging</i>
Conformity	Restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms.	<i>Self-Discipline/Obedience, Professional, Dedicated, Persistent, Responsible, Respectful/Tolerant to Others</i>
Tradition	Respect for, commitment to, and acceptance of the customs and ideas that traditional culture or religion provide the self.	<i>Respect Religion, Respect Social Norms, Respect Customs, Humility, Devout</i>

Ethical Judgment	<p>Personal ethicality or moral compass in terms of integrity, honesty, fairness, transparency, accountability, dependability, mutual respect.</p> <p>Preserving and enhancing the welfare of those with whom one is in frequent personal contact (the 'in-group').</p>	<p><i>Honesty/Integrity, Accountability/ Reliability, Fairness, Ethical, Authenticity</i></p>
Benevolence	<p>Understanding, appreciation, tolerance, and protection for the welfare of all people and for nature.</p>	<p><i>Trust, Family, Relationships, Teamwork, Empathy, Loyalty</i></p>
Universalism	<p>Representation of an idealistic personal state when other values are satisfied such as absolute bliss, completeness, ultimate happiness or elation, total harmony, nirvana and the like.</p>	<p><i>Equality/Inclusion, Helping Disadvantaged, Spirituality, Wisdom, Social Justice</i></p>
Highly-Abstract Values		<p><i>Ultimate Happiness, Ecstatic/Elation, Nirvana/Bliss, Complete-Calm/Serenity, Absolute Joy/Fulfillment</i></p>

Schwartz (1994) placed his values types in a circle, a model which again we have amended to include our own research findings – and build upon research from Milton Rokeach (1973), Norman Feather (1995), Kyle Longest, Steven Hitlin and Stephen Vaisey (2013) as well many other studies. Values can be both compatible/congruent and in conflict with each other irrespective of where they lie in the circle and should be considered in context of any given situation.

#### **Find article at**

<https://knowledge.insead.edu/leadership-organisations/values-insightfully-aware-leaders>

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