

# DCV

## Discovering Corporate Values

Doctor of Social Sciences Martti Puohiniemi, Limor Oy

Oral presentation

2011 Istanbul Regional Conference of IACCP

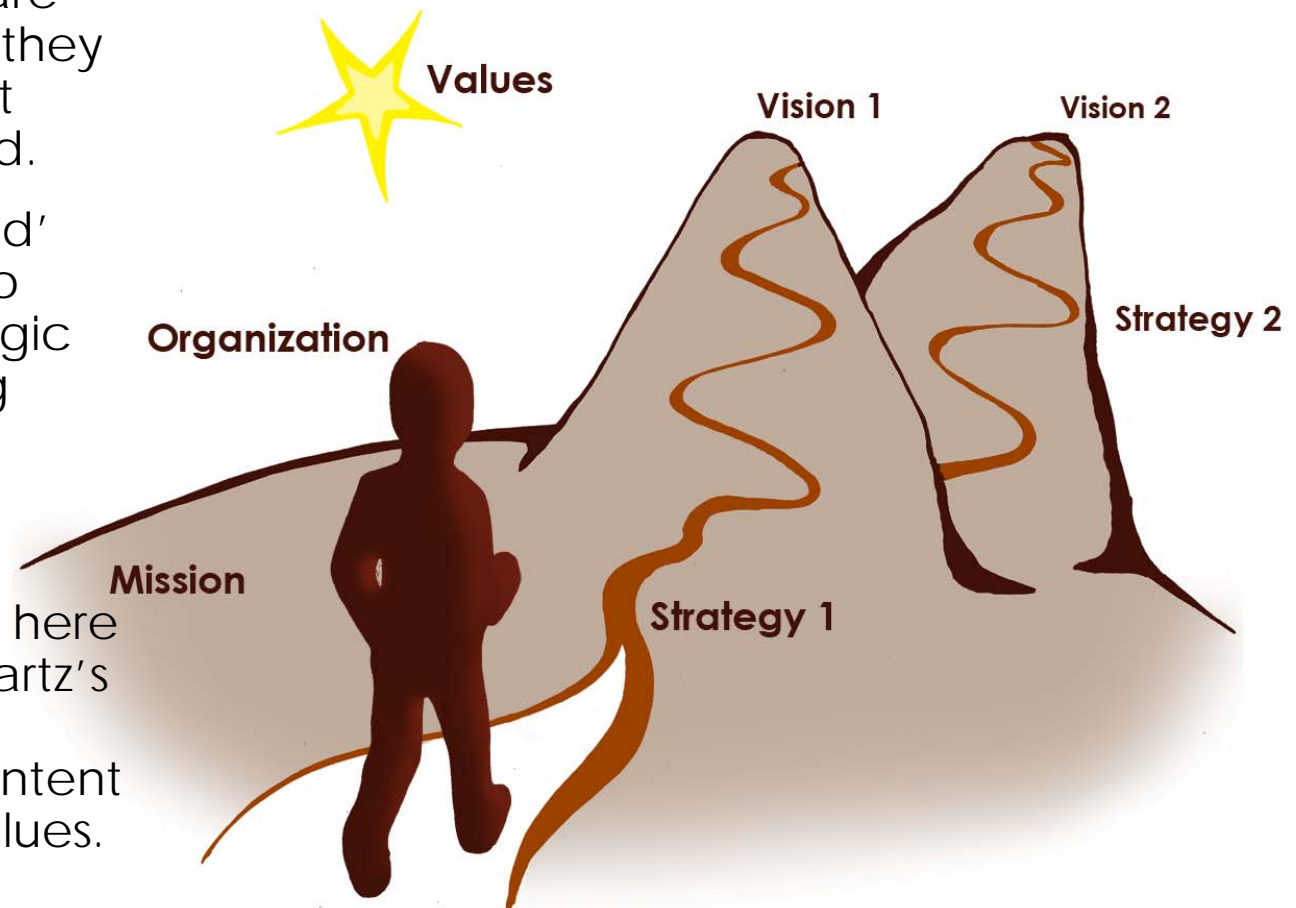
Limor Oy

# Corporate values

Corporate values are like stars in the sky: they guide your way but cannot be reached.

Organizations 'need' corporate values to keep to their strategic path in a changing environment.

The Discovering Corporate Values method presented here is based on Schwartz's (1992) theory of universals in the content and structure of values.

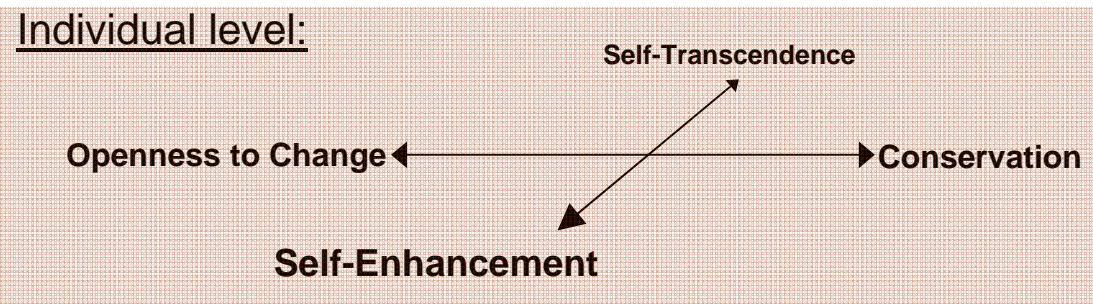
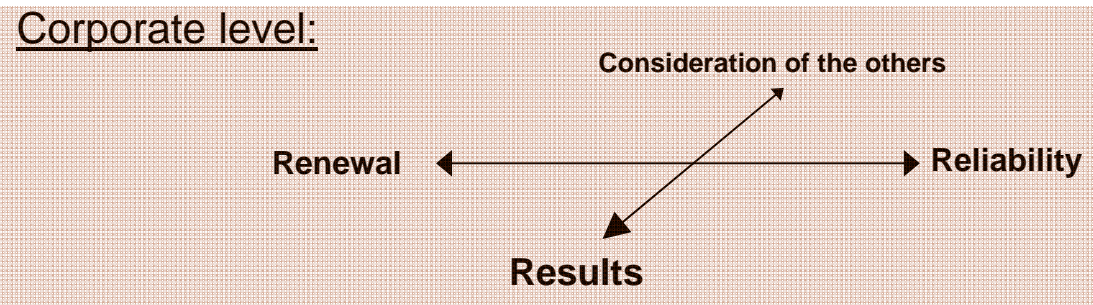
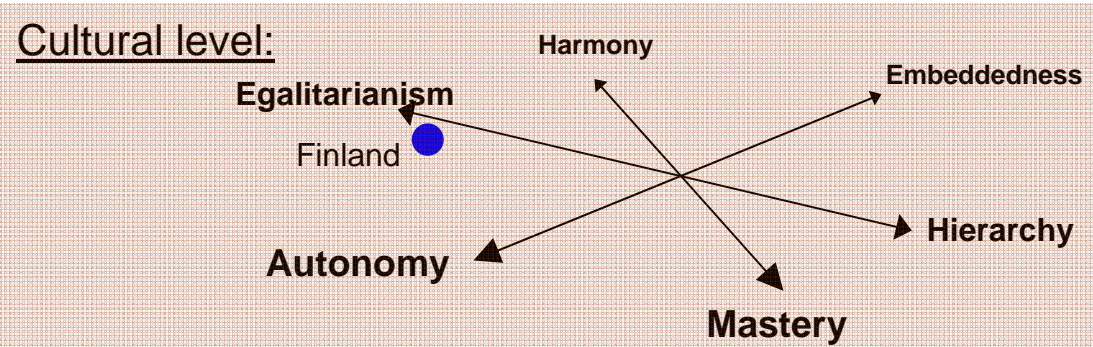


Limor Oy

# Cultural, corporate and individual values

## Corporate values:

- Are located in between individual and cultural values.
- Are based on individual values but are outside individuals and located in the structures, systems and policies of the company.
- Are stable but not as stable as cultural values.
- Can be discovered in discussions with the representatives of the company.
- Can be changed by consistent management and good leadership.



Above ideas are tested in 132 group discussions in 32 companies in which the size of the personnel varied between 18 and 45 000.

Limor Oy

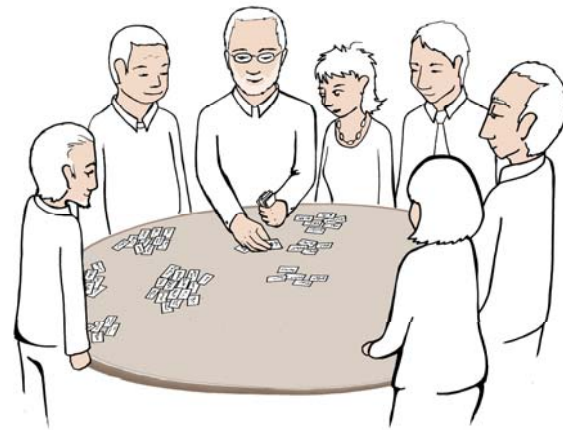
# DCV process

- The DCV process always starts from CHANGE which can take place in the environment, in competition, in ownership, in management, ...
- The management / owners decide to start the process.
- A three-hour value discussion with the management group opens the game.
- Two to 14 three-hour group discussions on values are held among the personnel.
- The analysis starts in the groups. The discussions and all the written material are recorded and analysed afterwards in detail.
- The report includes a proposal on the values of the company.
- The management group formulates the final version of the values together with the researcher.
- Values are promoted to the personnel and to the interest groups of the company with tailor-made programmes.

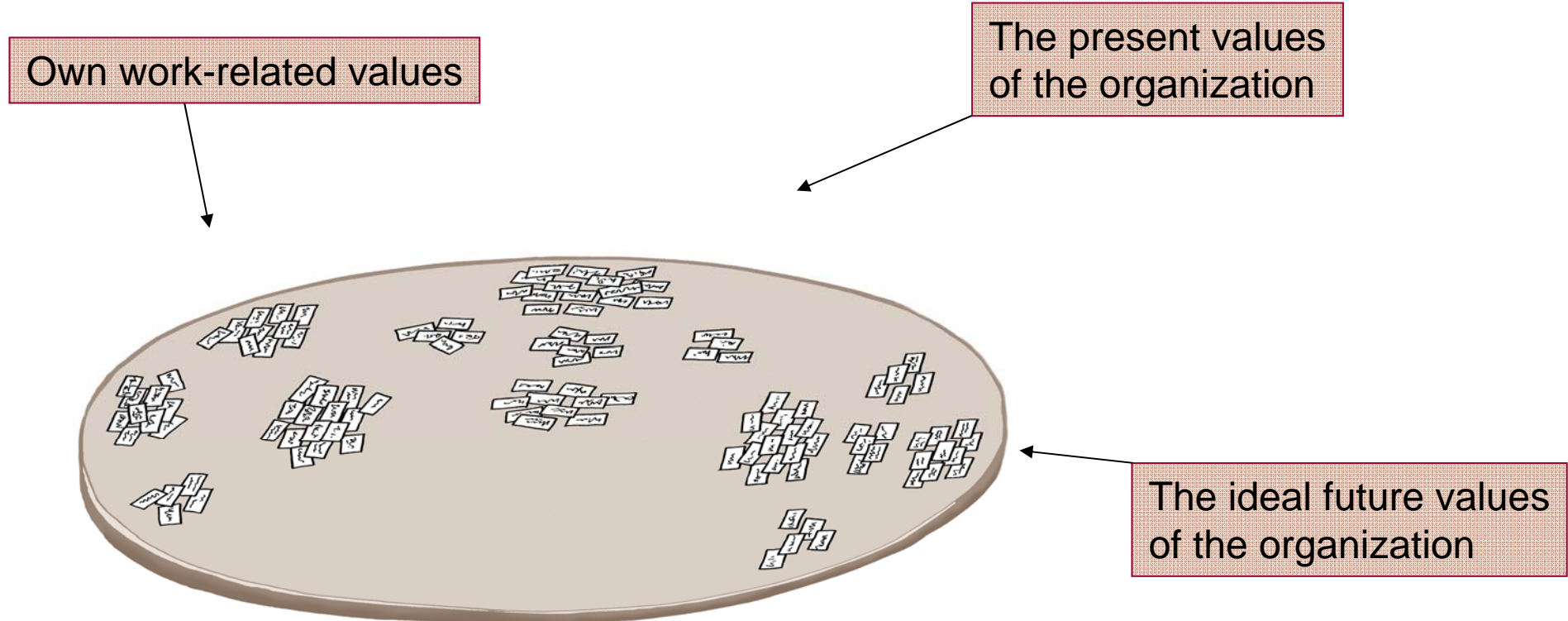
# The Business Card technique



- The objective is to identify the 4 or 5 most relevant values of the organization and the cultural meanings attached to them.
- The method: group discussion technique; ideal size of the group 6 – 8 persons.
- Five criteria for selecting the participants: line of business, duties, organizational level, work experience and gender.
- Writing always precedes discussions.
- Standing around a table facilitates discussion.



# The card game

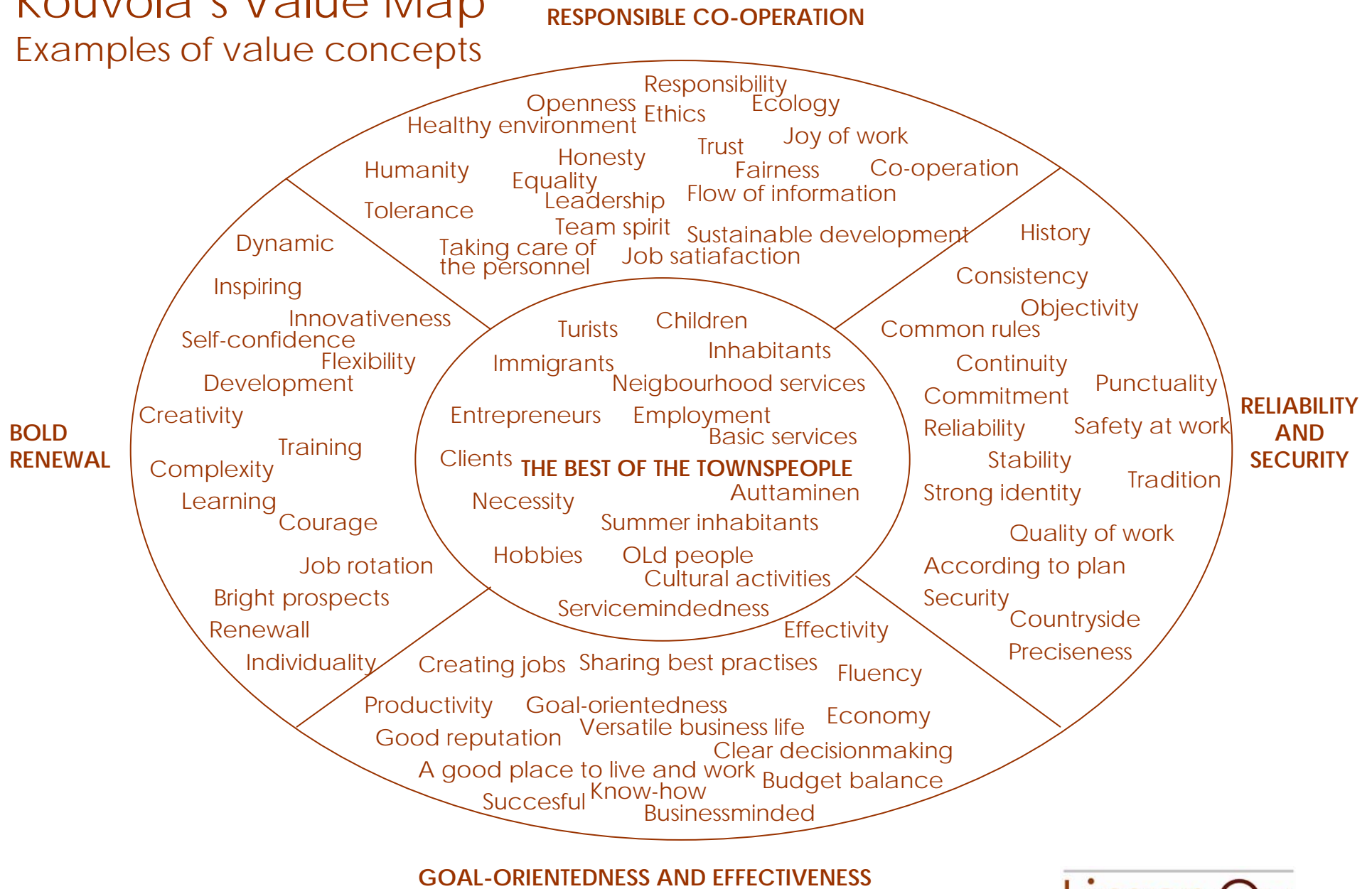


# Case: Kouvola

- Three rural districts and three small towns were united into the new city of Kouvola (90 000 inhabitants) at the beginning of 2009.
- Kouvola's city management started to design a new strategy for the city. The process started with value definition.
- I was asked to carry out a value process among the personnel (6 500) of Kouvola. The objective was to define the values of the new city.
- In early 2010 eight three-hour group discussions were carried out among the personnel using the Business Card technique.
- The city council attended three seminars and several small group discussions on values and strategies.
- The results of the process were reported to the management and the city council in May 2010.
- Kouvola's Book of Values was designed to involve the personnel in the strategy work.

# Kouvola's Value Map

Examples of value concepts



# Kouvola's Book of Values



Limor Oy

# The promotion of the new strategy

- Kouvola's Book of Values was delivered to the personnel by the supervisors who moderated a 4- to 8-hour discussion for their subordinates.
- The Book of Values and the discussion had two objectives:
  - To present Kouvola's mission, vision, strategy and values to the personnel
  - To activate the personnel to relate these ideas to their daily work.
- Until now two thirds of the personnel has participated in these discussions.
- In follow-up studies:
  - 95% of the personnel consider values important but only 17% think they come through in daily work. The process is at the beginning and will take several years.
  - One-third of the personnel had a positive attitude towards the strategy discussions. Two-thirds were critical of tight schedules and sky-high discussions. This kind of critique helps to develop the process.
- The importance of training supervisors in this kind of work with values and strategies cannot be overemphasised.

Limor Oy

# Conclusions

- Schwartz's value theory offers an excellent frame of reference for the analysis of corporate values.
- Every discussion is a test for the theory: with minor exceptions people understand values and the way they are organized in the same way.
- Although the theory is not introduced to the group they intuitively understand the dimensions correctly!
- The written material serves as search keys for the members of the group and stimulates spontaneous and deep discussions on corporate values and possible problems in them.
- It is possible to develop a quantitative inventory of the DCV. The risk in quantifying the value data is throwing away the qualitative richness of the company-level information.
- All companies are 'individuals' and therefore both qualitative and quantitative techniques are needed in the analysis of corporate values.

# References

Collins, J.C. and Porras J.I. (1998): Building Your Company's Vision. In Harvard Business Review on Change. Boston.

Kouvola Arvokirja (Kouvola's Book of Values) (2010). Kouvola. Google [Kouvola Arvokirja](#) (pdf-file)

Puohiniemi, M. (2003): Löytöretki yrityksen arvomaailmaan (Discovering Corporate Values). Limor kustannus. Espoo

Schwartz, S. H. (1992): Universals in the content and structure of values: Theory and empirical tests in 20 countries. In M. Zanna (Ed.), *Advances in experimental social psychology* (Vol. 25) (pp. 1-65). New York: Academic Press.

Schwartz, S.H (2008): Cultural Value Orientations : Nature & Implications of National Differences. Publishing House of SU HSE. Moscow.

Valtonen, K. (2011): Työntekijöiden palautetta strategiakeskusteluista (Employee feedback of the Strategy Discussions). Kouvola City.

Illustrations by elinap, [www.elina.puohiniemi.fi](http://www.elina.puohiniemi.fi)