

We believe in
REALISING HUMAN POTENTIAL



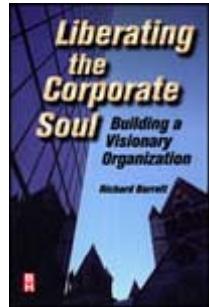
THE VALUES-DRIVEN ORGANISATION

Unleashing Human Potential for Performance and Profit



Powerful metrics that enable leaders to measure and manage cultures.

Richard Barrett's Books



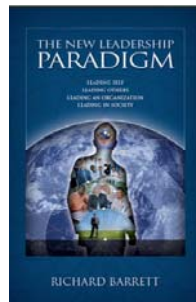
1998



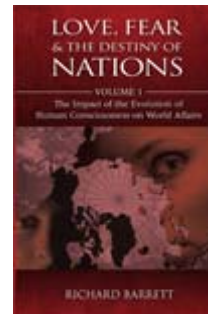
Update and new research



2006



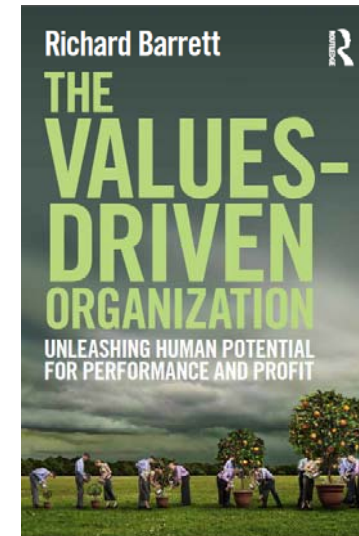
2010



2011



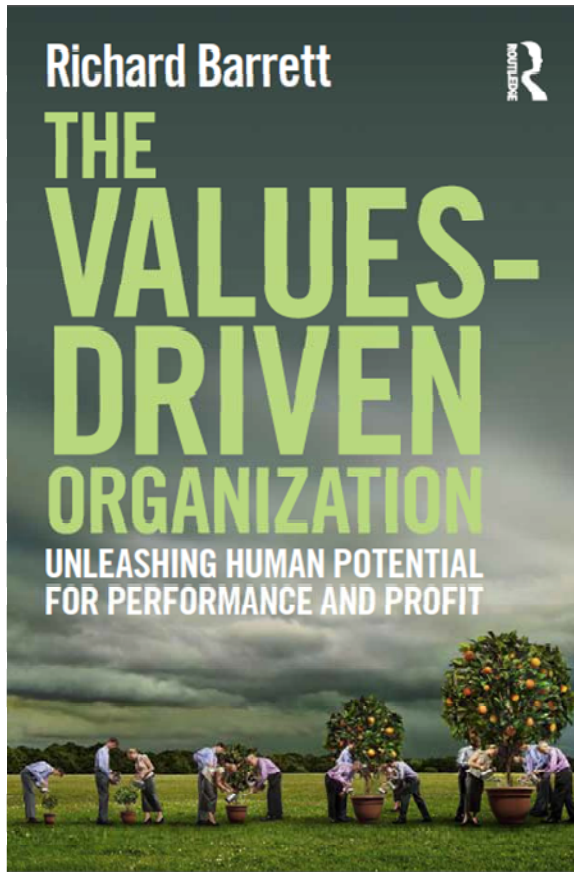
2012



2013

Learning Modules:
Leading Self
Leading a Team
Leading an Organisation
Leading in Society

The Values-driven Organisation



“Richard Barrett has made extraordinary contributions to our understanding of the seemingly nebulous yet critical topics of organisational values and culture. His frameworks for measuring cultural entropy and enabling whole system transformation are elegant. His reservoir of knowledge is vast and his connection to timeless wisdom is profound. His work is indispensable to the Conscious Capitalism Movement.”

Raj Sisodia, Co-founder and Co-chairman, Conscious Capitalism Inc. and Professor of Marketing at Bentley University, USA

What I am going to be talking about ...

MEASURING CULTURE

- ☐ to improve performance

MEASURING LEADERSHIP

- ☐ to improve culture

The Four Mantras of Culture Change

- ✓ **CULTURAL CAPITAL** is the new frontier of competitive advantage.
- ✓ **THE CULTURE OF AN ORGANISATIONAL** is a reflection of leadership consciousness—the stage of psychological development that the leaders have reached.
- ✓ **CULTURAL TRANSFORMATION** begins with the personal transformation of the leaders. Organisations don't transform; people do.
- ✓ **MEASUREMENT MATTERS:** Whatever you measure (focus your attention on a regular basis) tends to improve.

The Leader and the Values



*Clarifying the **value system** and breathing life into it are the greatest contributions a leader can make.*

Peters and Waterman, "In Search of Excellence: Lessons from America's best run companies", 1983

What are Values?

A shorthand method of describing our individual and collective motivations and what is important to us.

Values can be positive or potentially limiting.

Positive Values: Trust, creativity, passion, honesty, integrity, clarity

Potentially Limiting Values: Bureaucracy, power, blame, greed, hierarchy, status-seeking



Values, Beliefs and Behaviours

This exercise takes about 15 minutes

1. Choose 3 values that are important to you and enter them in the left hand column of the worksheet

EXAMPLE: **Clarity**

2. Write down your beliefs that support this value in middle column

EXAMPLE: **Clarity bring focus to decision making**

3. Write down the behaviours you exhibit that support this value

EXAMPLE: **Seek many opinions, synthesize multiple data points to understand the big picture**

THE BIG QUESTION

WHY ARE VALUES-DRIVEN ORGANISATIONS THE MOST SUCCESSFUL ORGANISATIONS ON THE PLANET?

WHAT DO THEY FOCUS ON?

WHAT MAKES THEM SUCCESSFUL?

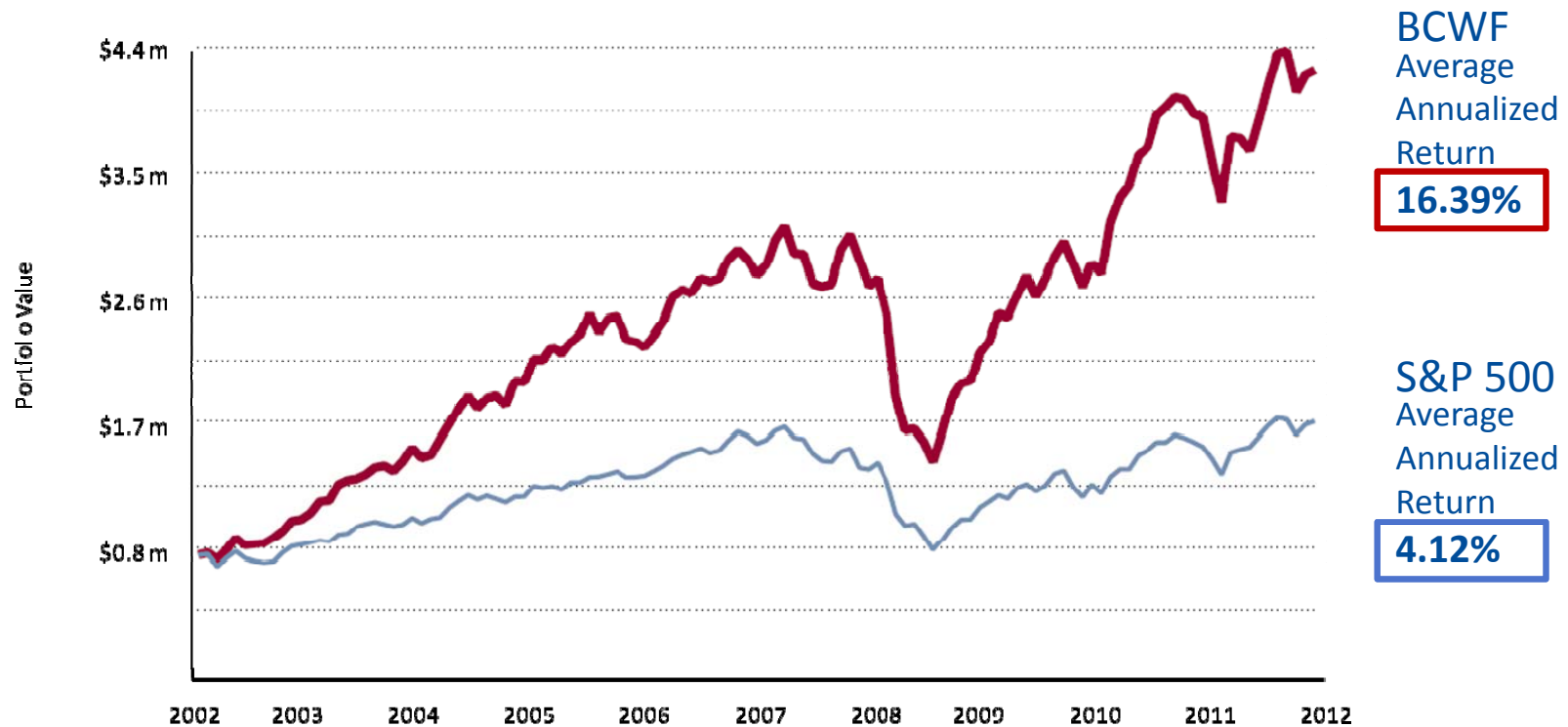


**THEY CARE ABOUT THE NEEDS OF
THEIR PEOPLE**

Q. WHERE CAN WE FIND SUCH ORGANISATIONS?

A. THE BEST COMPANIES TO WORK FOR.

The Top 40 Best Companies to Work For (USA)

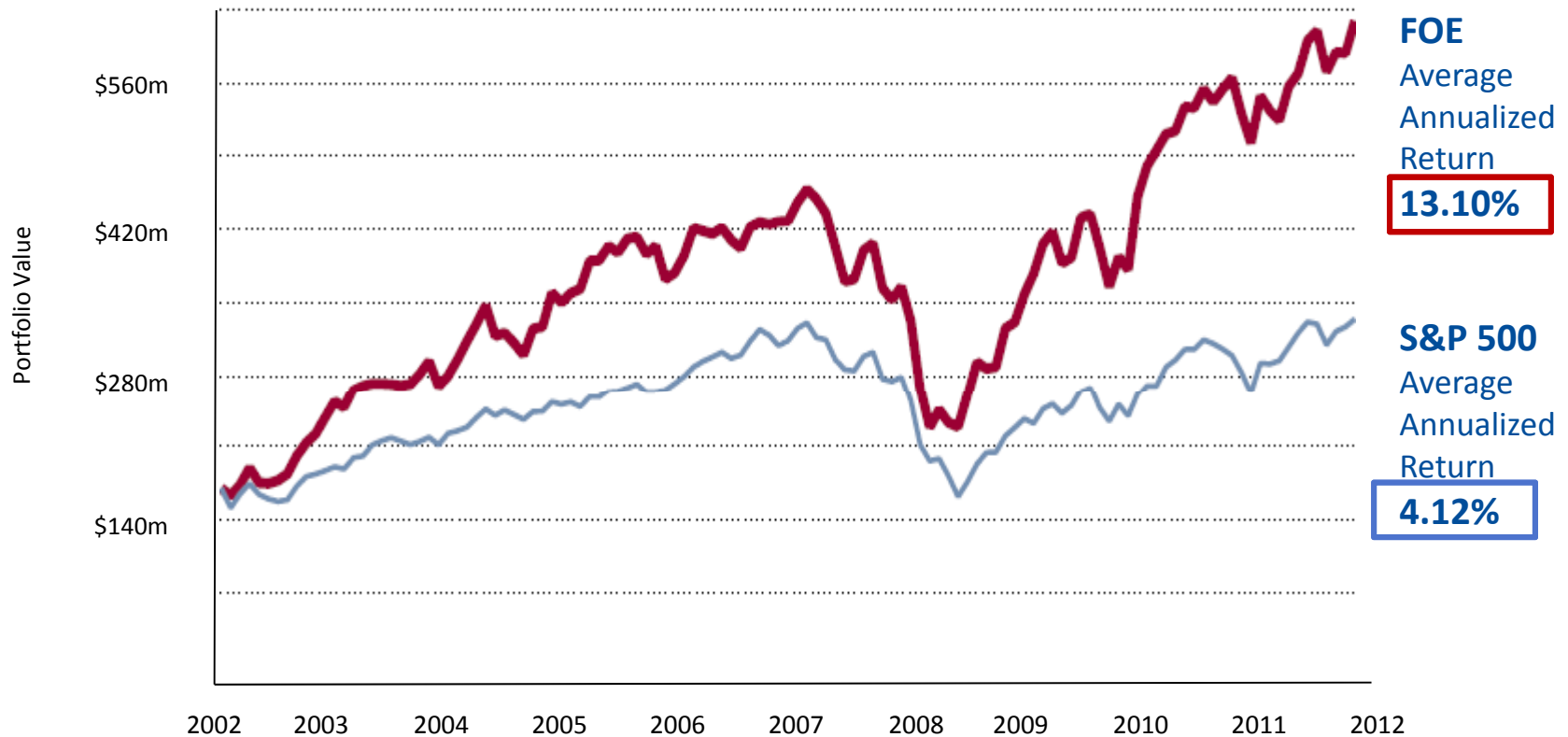


The Best Companies to Work For engender high levels of employee engagement and commitment, because the leaders of these organisations focus on meeting employee's basic needs and satisfying their growth needs: they focus on helping their employees feel happy and fulfilled.

The Top 40 Best Companies to Work For (USA)

Adobe Systems Inc.	Goldman Sachs Group Inc.	Novo Nordisk, A/S ADR
Aflac Inc.	Google Inc. Class A.	Nustar Energy, L.P.
Amazon.com Inc.	Hasbro, Inc.	Publix Super Mkts, Inc.
American Express Co.	Intel Corp.	Qualcomm Inc.
Autodesk Inc.	Intuit Inc.	Rackspace Hosting Inc.
Build-A-Bear Workshop Inc.	Marriott International Inc.	Salesforce.com Inc.
Capital Trust Inc. Class A.	Mattel Inc.	Southern Michigan Bankcorp.
Chesapeake Energy Corp.	Medical Properties Trust Inc.	St. Jude Medical, Inc.
Devon Energy Corp.	Men's Wearhouse	Starbucks Corporation
Dreamworks Animation SKG Inc.	Microsoft Corp.	Stryker Corporation
EOG Resources	National Instruments Corp.	SVB Financial Group
FactSet Research Systems Inc.	NetApp Inc.	Ultimate Software Group, Inc.
General Mills Inc.	Nordstrom Inc.	Umpqua Holdings Corporation
		Whole Food Markets, Inc.

Eighteen Firms of Endearment



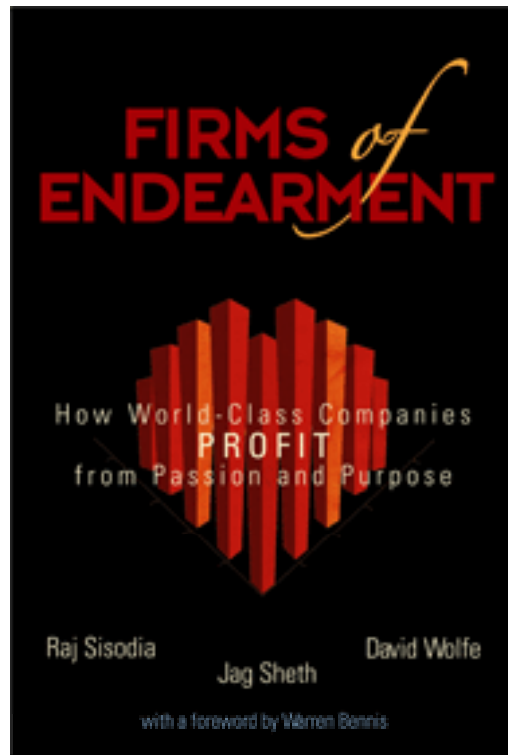
Firms of Endearment focus on meeting all stakeholders needs. The four pillars of FoE are Conscious Leadership, Conscious Culture, Stakeholder Integration and a Higher Purpose supported by Core Values.

Eighteen Firms of Endearment

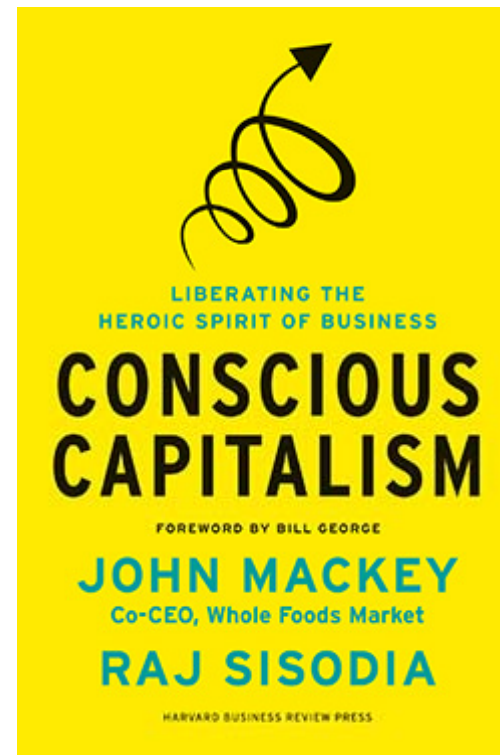
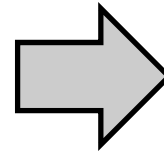
*Amazon.com Inc.	*Harley-Davidson Inc.	Progressive Insurance
*Best Buy Co Inc.	*Honda Motor Co.	REI
BMW	IDEO	*Southwest Airlines Co.
*CarMax Inc.	IKEA	*Starbucks Corporation
*Caterpillar Inc.	*Jet Blue	*Timberland Inc.
*Commerce Bankshares Inc.	*Johnson & Johnson	*Toyota Motor Corp.
Container Store	Jordan's Furniture	Trader Joe's
*Costco Wholesale Corporation	L.L. Bean	*UPS Inc.
*eBay Inc.	New Balance	Wegmans
*Google Inc. Class A.	Patagonia	*Whole Foods Markets, Inc.

* Firms of Endearment for which financial data were readily available for their North America operations.

Conscious Capitalism Movement

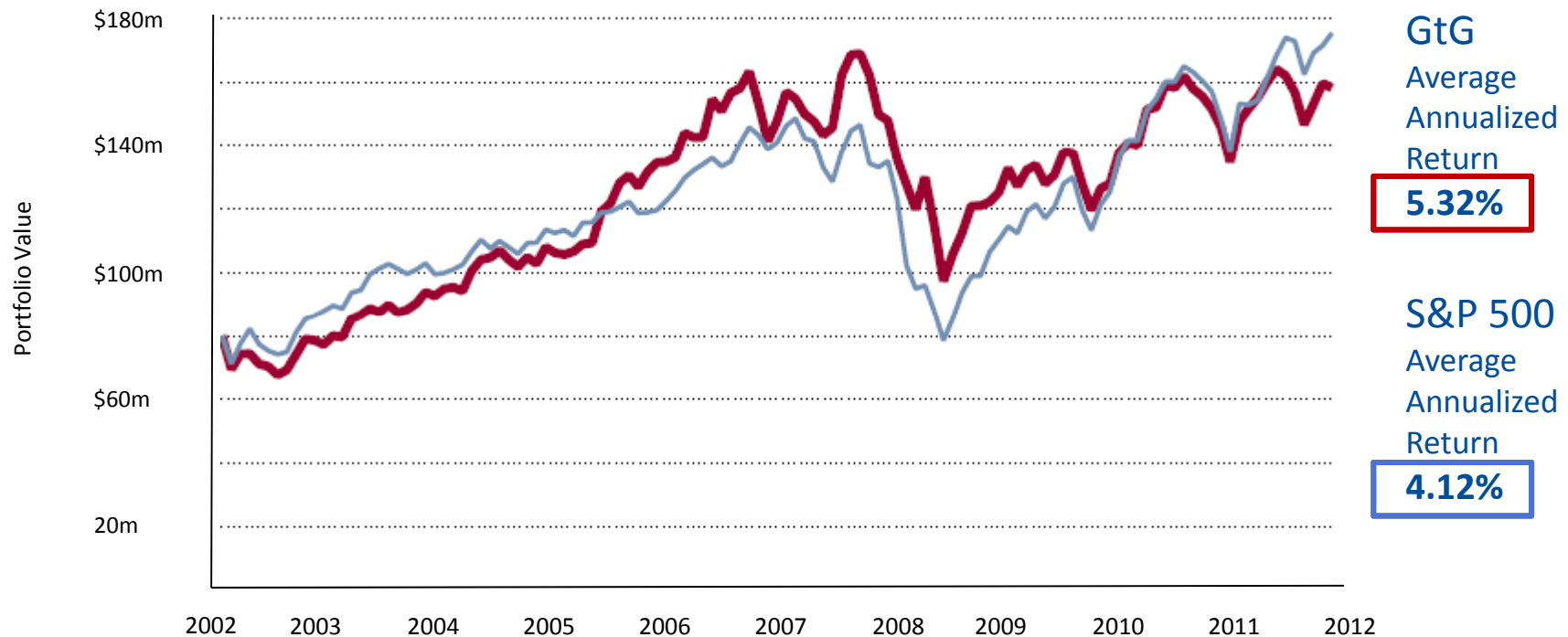


2007



2012

The 10 Good to Great Companies (Jim Collins)



The seven characteristics Collins identified in the so-called Good to Great companies, on their own, are not sufficient for long-term success. Focusing on the needs of your employees and the culture of the company are more important.

The 10 Good to Great Companies

Abbott Laboratories	Kimberley-Clark	Pitney Bowes Inc.
*Circuit City	Kroger Co.	Walgreen Company
Fannie Mae	Nucor Corp.	*Wells Fargo & Co.
Gillette Company	Philip Morris International Inc.	

- * No longer trading.
- ** Involved in a home mortgage scandal.
- *** Received \$25 billion bailout from the Troubled Asset Relief Program (TARP) as part of the United States government's response to the subprime mortgage crisis of 2008.

THE DIFFERENCE BETWEEN THE BEST COMPANIES TO WORK FOR AND OTHER COMPANIES IS THEY CARE ABOUT THE NEEDS OF THEIR EMPLOYEES— THEY CARE ABOUT WHAT THEIR EMPLOYEES VALUE.

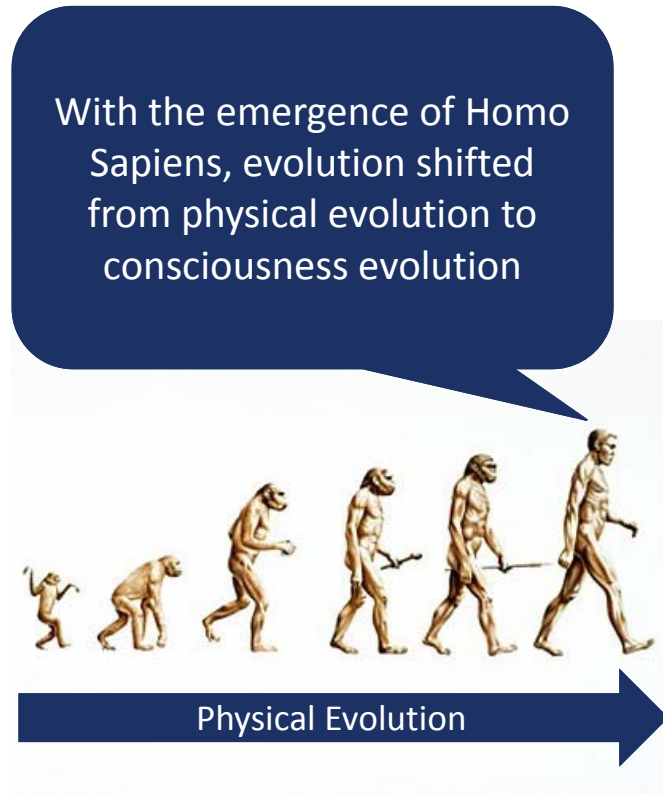
What motivates us is the satisfaction of our needs

AT ANY GIVEN MOMENT IN TIME, the values that are most important to us are a reflection of the stage of psychological development we have reached and our unmet ***basic needs***,

Our needs (what we value) have always been, and always will be the principal drivers of our behaviors and actions.



The Evolution of Human Values



Evolution of Human Consciousness

- Service
- Making a difference
- Internal cohesion
- Transformation
- Self-esteem
- Relationship
- Survival

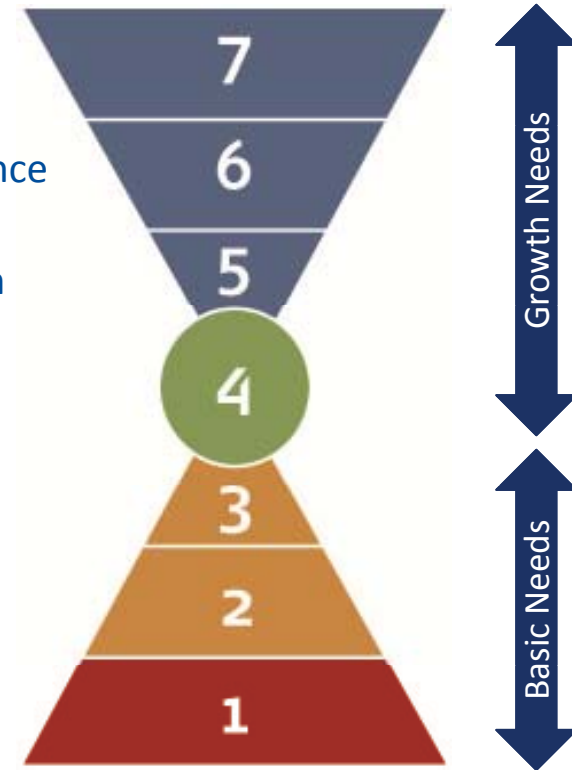
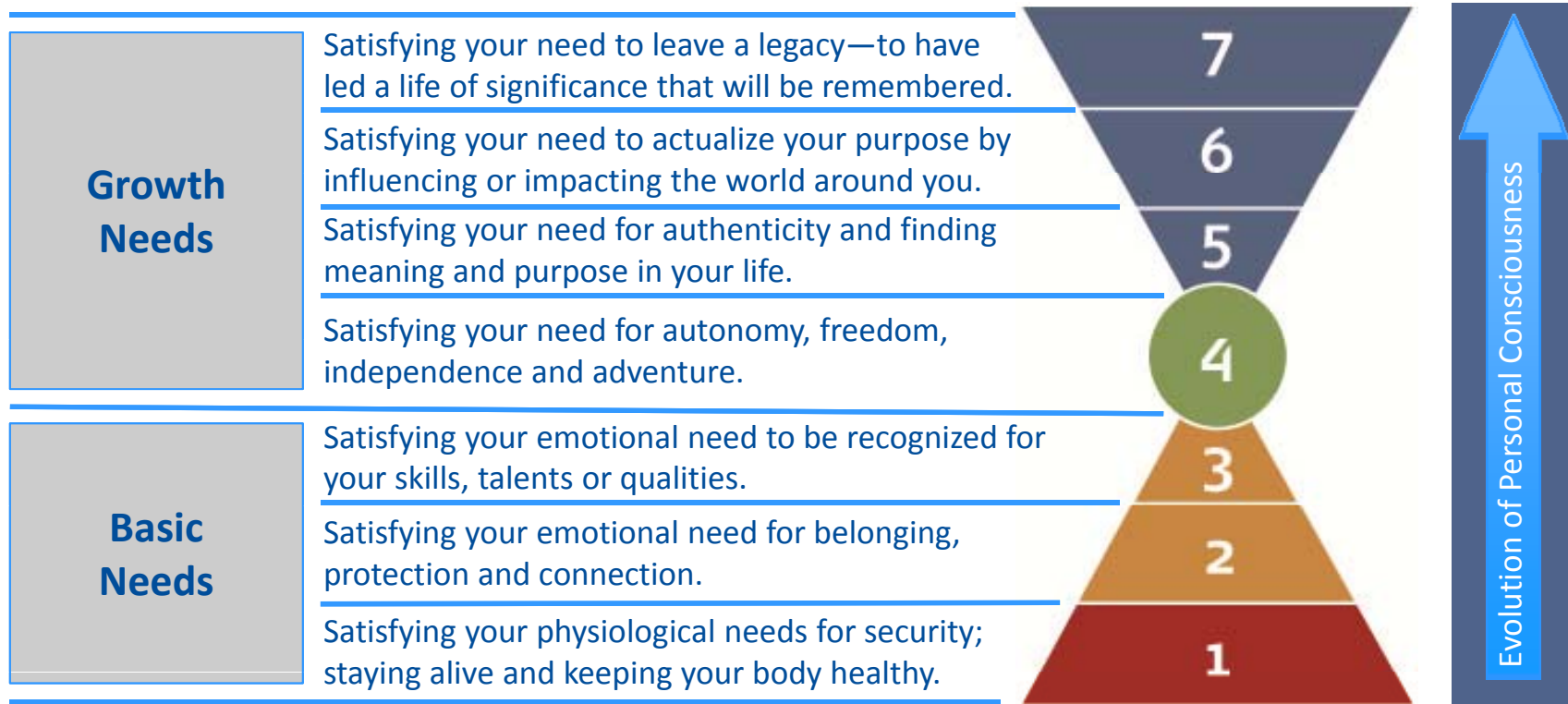


Figure 1: The Stages of Psychological Development



What Are Our Basic Needs and Growth Needs

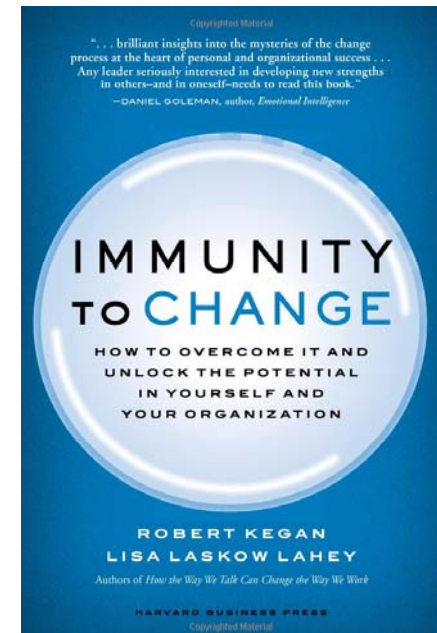


At any given moment in time, our values are a reflection of our unmet basic needs, and the growth needs associated with the stage of psychological development we have reached.

Three Stages of Mind Development

In *Immunity to Change* Robert Kegan and Lisa Laskow Lahey identify three plateaus of adult psychological development (ability to handle complexity)—the socialized mind, the self-authoring mind and self-transforming mind.

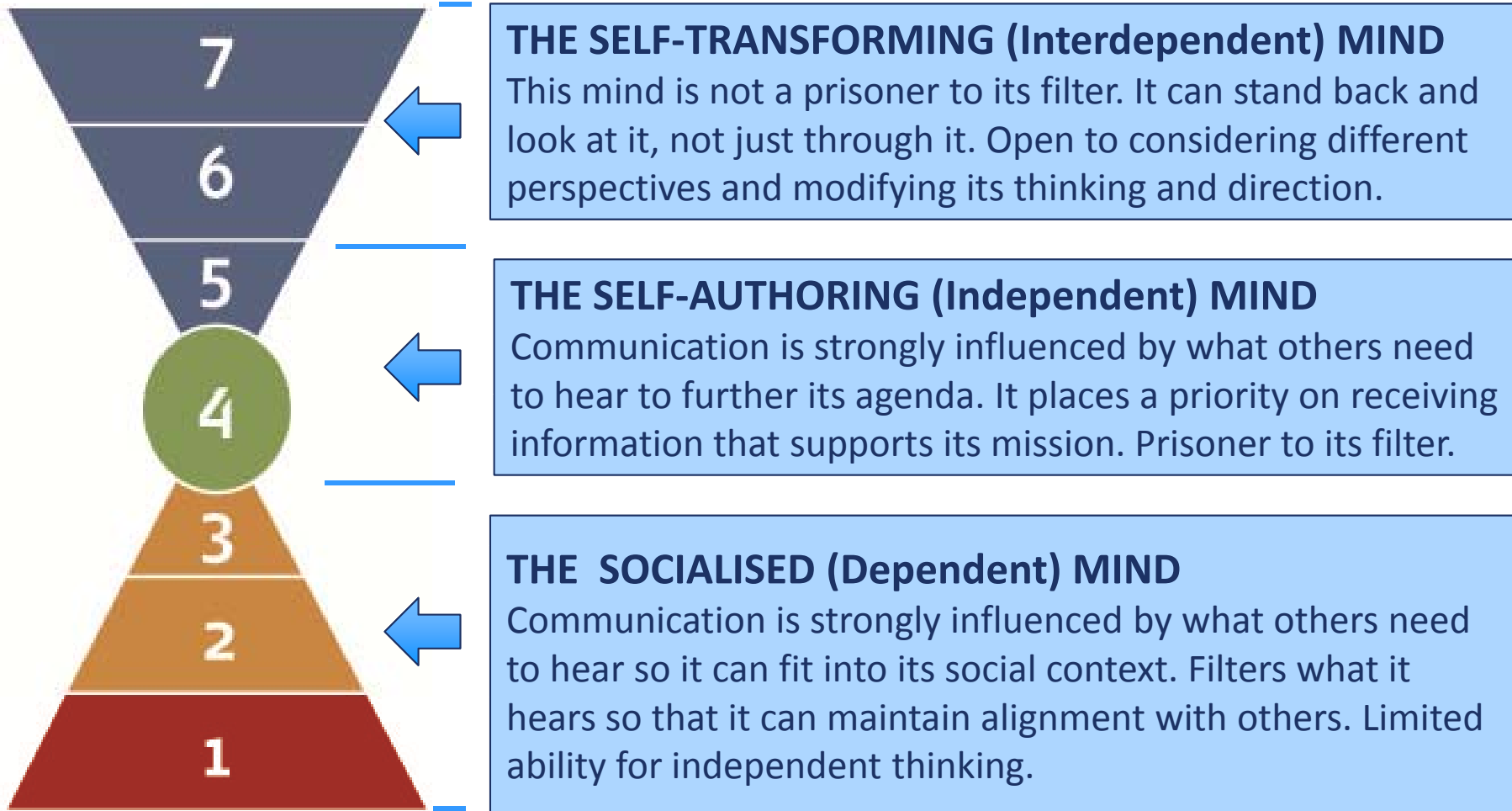
Robert Kegan and Lisa Laskow Lahey, *Immunity to Change* (Boston: Harvard Business School Publishing), 2009, pp.16-21.



Three Stages of Mind Development



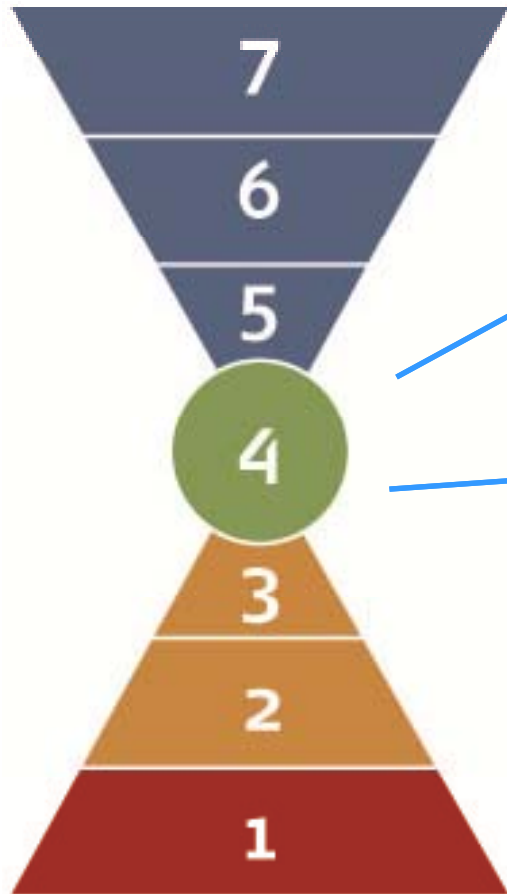
Complexity of Thinking



Motivating the Socialized Mind



Motivating the Self-Authoring Mind



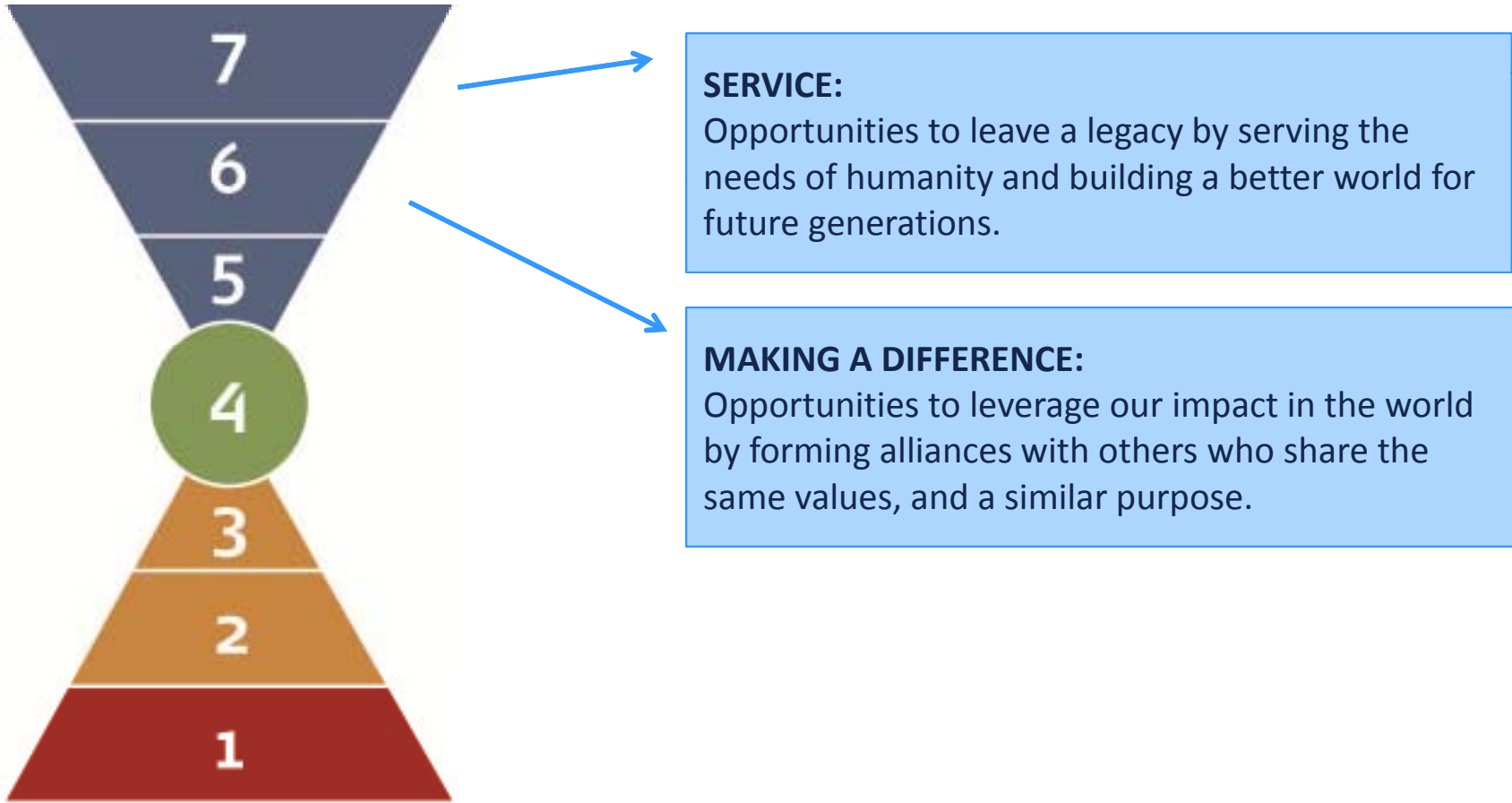
INTERNAL COHESION:

Opportunities to lead a values- and purpose-driven life that is meaningful to me and supports me and the organisation in meeting its objectives.

TRANSFORMATION:

Opportunities to use my gifts and talents by being made accountable for challenging projects or process changes which meet the goals or objectives of the organisation.

Motivating the Self-Transforming Mind



The Seven Levels of Consciousness Model



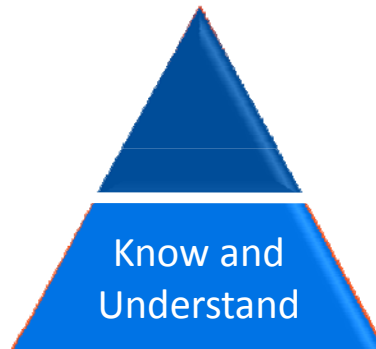
Powerful metrics that enable leaders to measure and manage cultures.

Origins of the Cultural Transformation Tools



Abraham Maslow

Self Actualization



Growth Needs

When these needs are fulfilled they do not go away, they engender deeper levels of motivation and commitment.

Self-esteem

Love & Belonging

Safety

Physiological

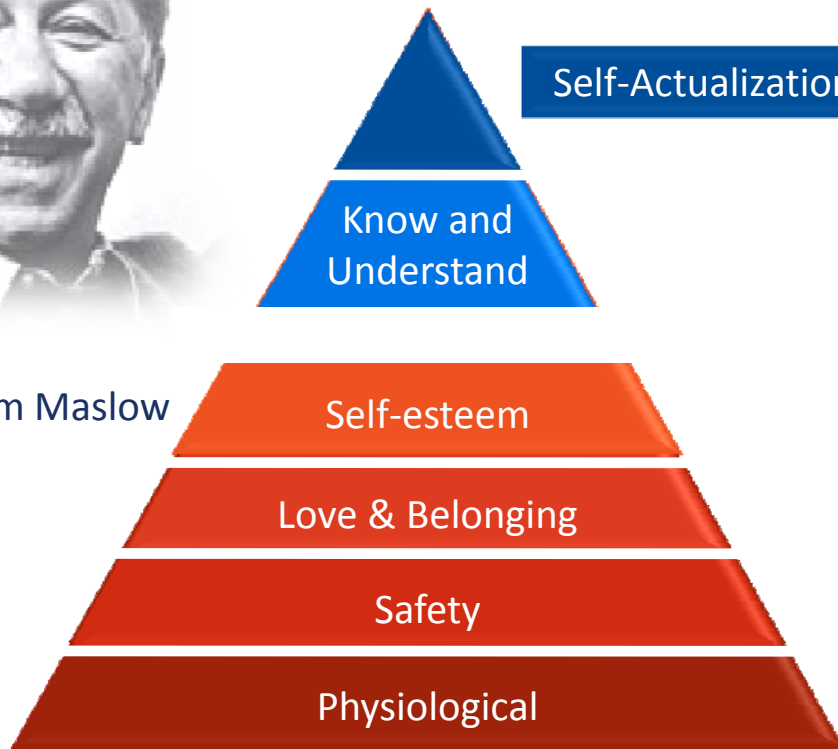
Deficiency Needs

An individual gains no sense of lasting satisfaction from being able to meet these needs, but feels a sense of anxiety if these needs are not met.

Maslow's Needs to Barrett's Consciousness



Abraham Maslow



Needs

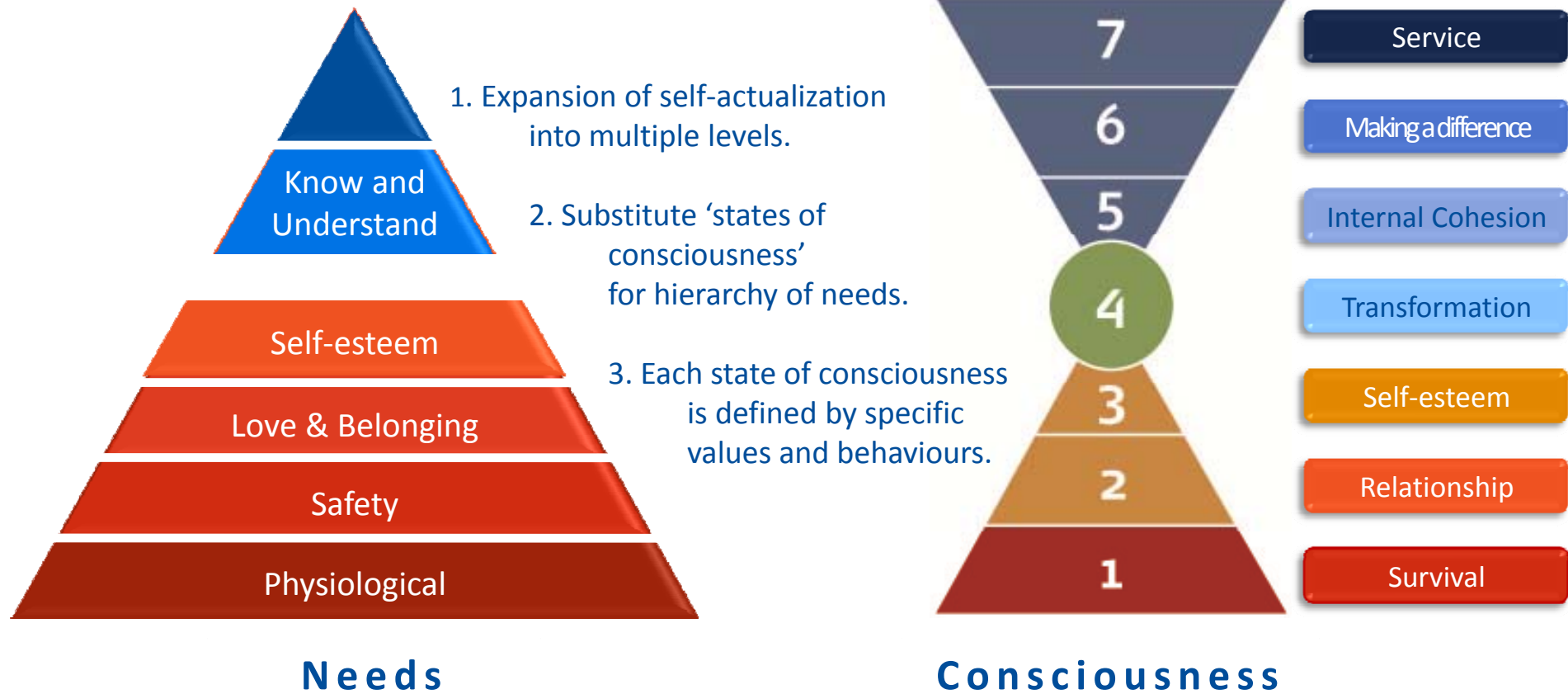


Consciousness



Richard Barrett

Maslow's Needs to Barrett's Consciousness



Stages in the Development of **Personal** Consciousness



Stages in the Development of **Organizational** Consciousness



Service

7

Service To Humanity And The Planet

Social responsibility, future generations, long-term perspective, ethics, compassion, humility

Making a difference

6

Strategic Alliances and Partnerships

Environmental awareness, community involvement, employee fulfillment, coaching/mentoring

Internal Cohesion

5

Building Corporate Community

Shared values, vision, commitment, integrity, trust, passion, creativity, openness, transparency

Transformation

4

Continuous Renewal and Learning

Accountability, adaptability, empowerment, teamwork, goals orientation, personal growth

Self-esteem

3

High Performance

Systems, processes, quality, best practices, pride in performance. **Bureaucracy, complacency, ...**

Relationship

2

Belonging

Loyalty, open communication, customer satisfaction, friendship. **Manipulation, blame, ...**

Survival

1

Financial Stability

Shareholder value, organisational growth, employee health, safety. **Control, corruption, greed, ...**

Placement of Values by Level

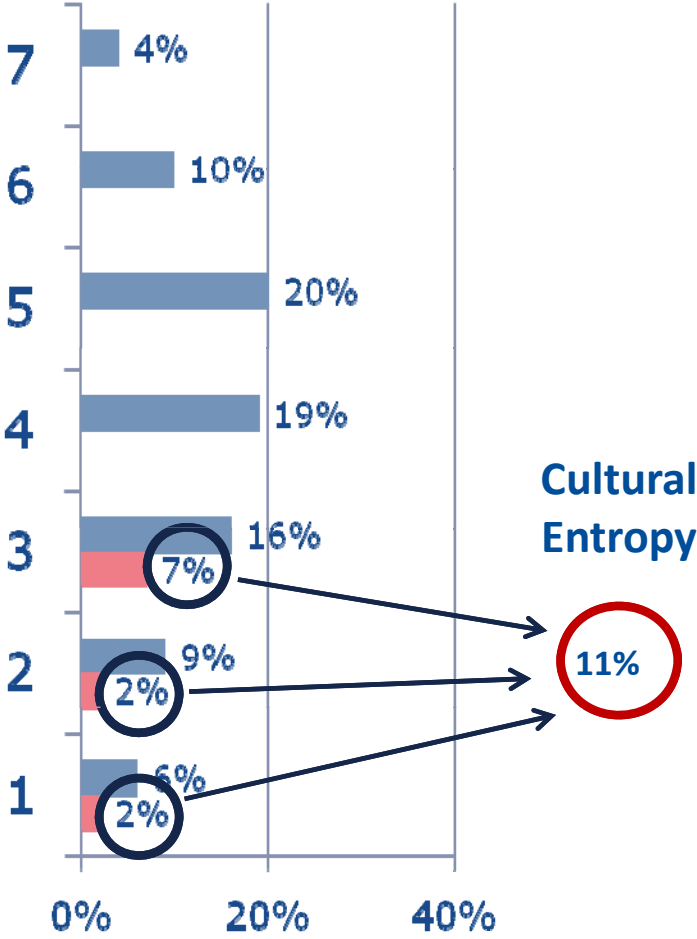
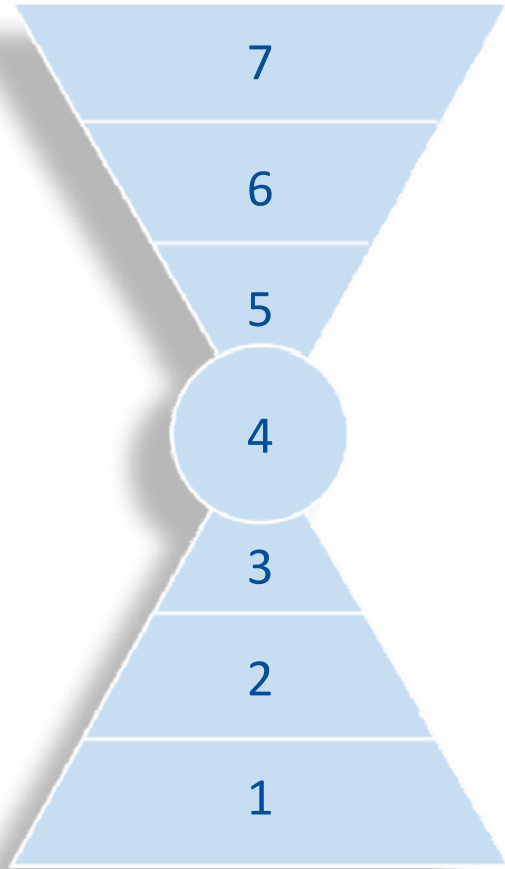
Current Culture 100 Employees



Distribution of Values by Level

Current Culture 100 Employees

- Service
- Making a difference
- Internal Cohesion
- Transformation
- Self-esteem
- Relationship
- Survival



What is Cultural Entropy?

The amount of energy that is consumed in an organisation doing unnecessary or unproductive work that does not add value.

It is a measure of the conflict, friction and frustration that employees encounter in their day-to-day activities that prevent the organisation from operating at peak performance.

Low Cultural Entropy Leads to High Financial Returns

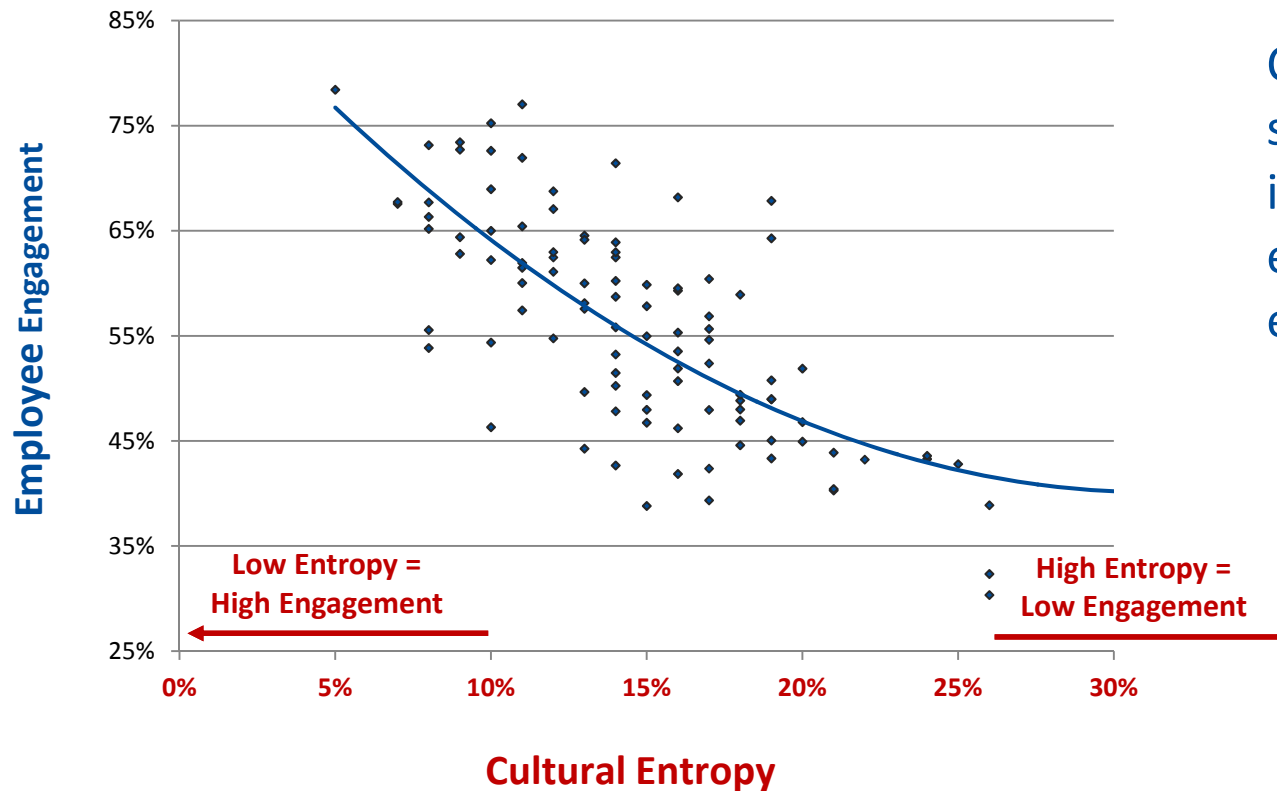
Entropy Level	3 Year Revenue Growth %
<10%	32.87%
10% – 19%	24.90%
20% – 29%	11.39%
>29%	11.07%

Research carried out in 163 organisations in Australia by Hewitt Associates and the Barrett Values Centre in 2008.

Cultural Entropy In Organisations

Entropy	Impact
<10%	Prime: Healthy Culture: This is a low and healthy level of cultural entropy.
11-20%	Minor Issues: Minor issues: This level of cultural entropy reflects issues requiring cultural or structural adjustment. It is important to reduce the level of cultural entropy to improve performance.
21-30%	Significant Issues: This level of cultural entropy reflects significant issues requiring cultural and structural transformation and leadership coaching. It is important to reduce the level of cultural entropy to improve performance.
31-40%	Serious Issues: is level of entropy reflects serious problems requiring cultural and structural transformation, leadership development and coaching. It is important to reduce the level of entropy to improve performance.
41+	Critical Issues: This level of cultural entropy reflects critical problems requiring cultural and structural transformation, selective changes in leadership, leadership development and coaching. It is important to reduce the level of cultural entropy to improve performance.

Entropy and Engagement



Cultural entropy significantly impacts employee engagement.

Research carried out in 163 organisations in Australia by Hewitt Associates and the Barrett Values Centre in 2008.

Five Levels of Employee Engagement

Highly Engaged	Employees bring passion, purpose and discretionary energy to their work. They are emotionally attached and committed to the organisation and want to do the right thing.
Engaged	Employees are willing to go the extra mile to support the company in achieving its goals and objectives as long as they can also satisfy their own goals and objectives.
Becoming Disengaged	Employees are becoming frustrated, anxious and fearful about not being able to satisfy their needs.
Disengaged	Employees do what they have to do to get through the day, but are unwilling to put in any extra effort to meet deadlines or support their colleagues in difficult times.
Highly Disengaged	Employees are unhappy at their work and act out their unhappiness by actively undermining the company, and denigrating those who want to succeed.

Highly Engaged Employees

- Highly engaged employees identify with the company.
- They care passionately about the future of the company.
- They bring passion and purpose to their work.
- They are willing to invest their discretionary effort to make the company a success.
- They want the company to do the right thing.
- They want to feel pride in the way the company behaves.

Entropy and Engagement

Cultural Entropy	Most employees are
10% or less	Highly Engaged
11% to 20%	Engaged
21% to 30%	Becoming Disengaged
31% to 40%	Disengaged
41% or more	Highly Disengaged

Entropy and Values

Cultural Entropy	Most employees are ...	Potentially limiting values showing up in current culture
10% or less	Highly Engaged	
11% to 20%	Engaged	
21% to 30%	Becoming Disengaged	Bureaucracy, Hierarchy, Confusion
31% to 40%	Disengaged	Bureaucracy, Hierarchy, Confusion, Control, Short-term focus, Silo-mentality, Long hours
41% or more	Highly Disengaged	Bureaucracy, Short-term focus, Hierarchy, Blame, Control, Confusion, Information Hoarding, Silo-mentality, Long hours

Measuring Culture to Improve Performance



Powerful metrics that enable leaders to measure and manage cultures.

What is Culture?

“The way things are done around here”



The culture of an organisation or any group of individuals is a reflection of the values, beliefs and behaviours of leaders of the group and the legacy of past leaders.

How Do We Measure Culture?

Cultural Values Assessment

Question 1:
Which of the following values/behaviours most represent who you are? Pick ten.

Question 2:
Which of the following values/behaviours most represent how your organisation currently operates? Pick ten.

Question 3:
Which of the following values/behaviours most represent how you would like your organisation to operate? Pick ten.

Personal Values

PERSONAL VALUES
Please select ten of the following values/behaviors that most reflect who you are, not who you desire to become. Click the checkboxes to select or remove values/behaviors.

accountability
balance (home/work)
enthusiasm
excellence
global awareness
humor/fun
making a difference
mission focus
positive attitude
vision

Total Chosen: 10

Continue

- accountability
- achievement
- adaptability
- ambition
- balance (home/work)
- being liked
- being the best
- caring
- caution
- clarity
- coaching/mentoring
- commitment
- community involvement
- compassion
- conflict resolution
- continuous learning
- control
- cooperation
- courage
- creativity
- dialogue
- diversity
- ease with uncertainty



Pick ten values/behaviours that most reflect who you are,
not who you desired to become.

Current Culture Values

CURRENT CULTURE VALUES
Please select ten of the following values/behaviors that most reflect how your organization currently operates.

creativity
customer satisfaction
excellence
financial stability
innovation
integrity
mission focus
open communication
quality
shared values

Total Chosen: 10

Continue

- accountability
- achievement
- adaptability
- balance (home/work)
- being the best
- blame
- brand image
- bureaucracy
- caution
- clarity
- coaching/mentoring
- commitment
- community involvement
- compassion
- conflict resolution
- confusion
- consensus
- continuous improvement
- continuous learning
- control
- cooperation
- cost reduction
- creativity
- customer collaboration
- customer satisfaction



Pick ten values/behaviours that most reflect how your organisation currently operates.

Desired Culture Values


DESIRED CULTURE VALUES
Please select ten of the following values/behaviors that, in your opinion, are essential for your organization to achieve its highest performance.

accountability
commitment
continuous improvement
creativity
financial stability
innovation
integrity
long-term perspective
shared vision
teamwork

Total Chosen: 10

Continue

- accountability
- achievement
- adaptability
- balance (home/work)
- being the best
- blame
- brand image
- bureaucracy
- caution
- clarity
- coaching/mentoring
- commitment
- community involvement
- compassion
- conflict resolution
- confusion
- consensus
- continuous improvement
- continuous learning
- control
- cooperation
- cost reduction
- creativity



Pick ten values/behaviours that, in your opinion, are essential for your organisation to achieve its highest performance.



Company (1000)

Level	Personal Values (PV)	Current Culture Values (CC)	Desired Culture Values (DC)
7			
6			
5			
4			
3			
2			
1			
	IRS (P)=8-2-0 IRS (L)=0-0-0	IROS (P)=1-2-6-0 IROS (L)=0-0-1-0	IROS (P)=0-3-7-0 IROS (L)=0-0-0-0
Matches	honesty 579 5(I)	brand image 484 3(O)	balance (home/work) 359 4(O)
	commitment 420 5(I)	customer satisfaction 422 2(O)	employee recognition 339 2(R)
PV - CC 2	balance (home/work) 356 4(I)	cost reduction (L) 354 1(O)	customer satisfaction 329 2(O)
CC - DC 4	accountability 324 4(R)	achievement 305 3(I)	transparency 281 5(R)
PV - DC 3	responsibility 322 4(I)	profit 286 1(O)	leadership development 274 6(O)
Cultural Entropy: Current Culture 19%	ethics 300 7(I)	ethics 282 7(O)	continuous improvement 272 4(O)
	adaptability 290 4(I)	organisational growth 260 1(O)	employee fulfilment 244 6(O)
	cooperation 284 5(R)	continuous improvement 219 4(O)	accountability 239 4(R)
	positive attitude 279 5(I)	teamwork 218 4(R)	ethics 238 7(O)
	ambition 276 3(I)	accountability 216 4(R)	innovation 232 4(O)

Black Underline = PV & CC
 Orange = PV, CC & DC

Orange = CC & DC
 Blue = PV & DC

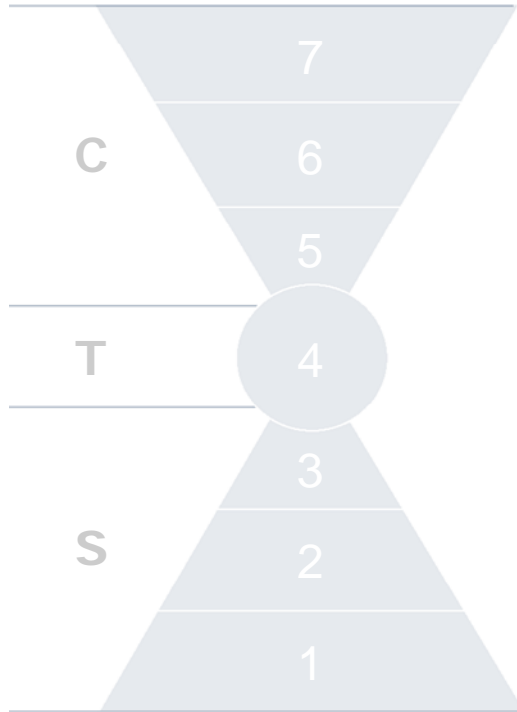
P = Positive
 L = Potentially Limiting (white circle)

I = Individual
 R = Relationship

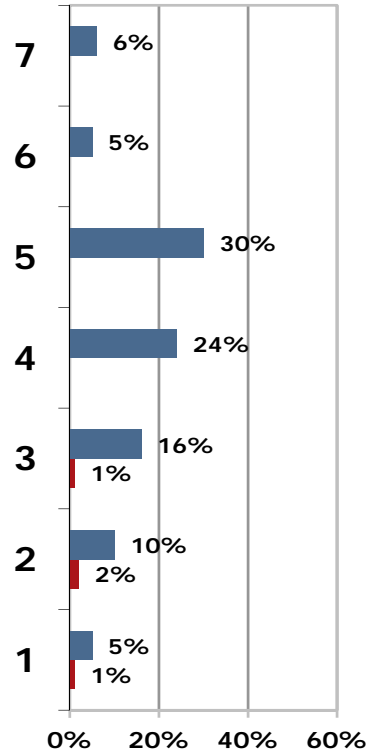
O = Organisational
 S = Societal



Company (1000)

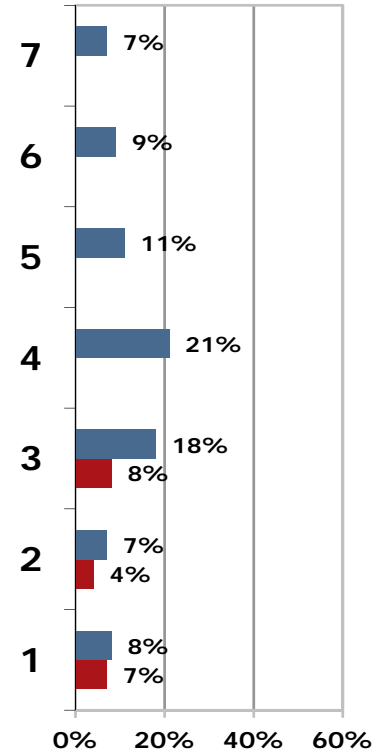


Personal Values



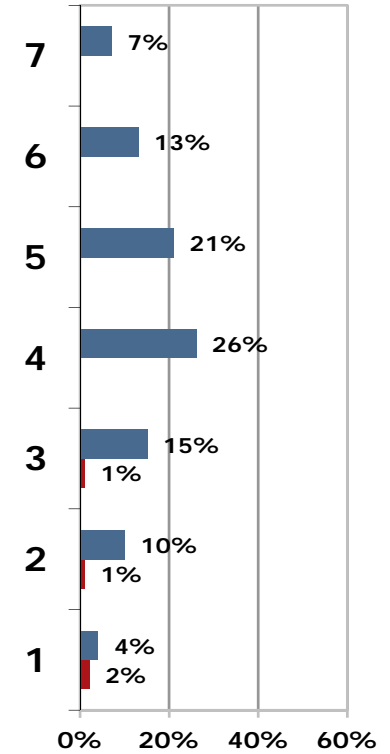
CTS = 41-24-35
Cultural Entropy = 4%

Current Culture Values



CTS = 27-21-52
Cultural Entropy = 19%

Desired Culture Values



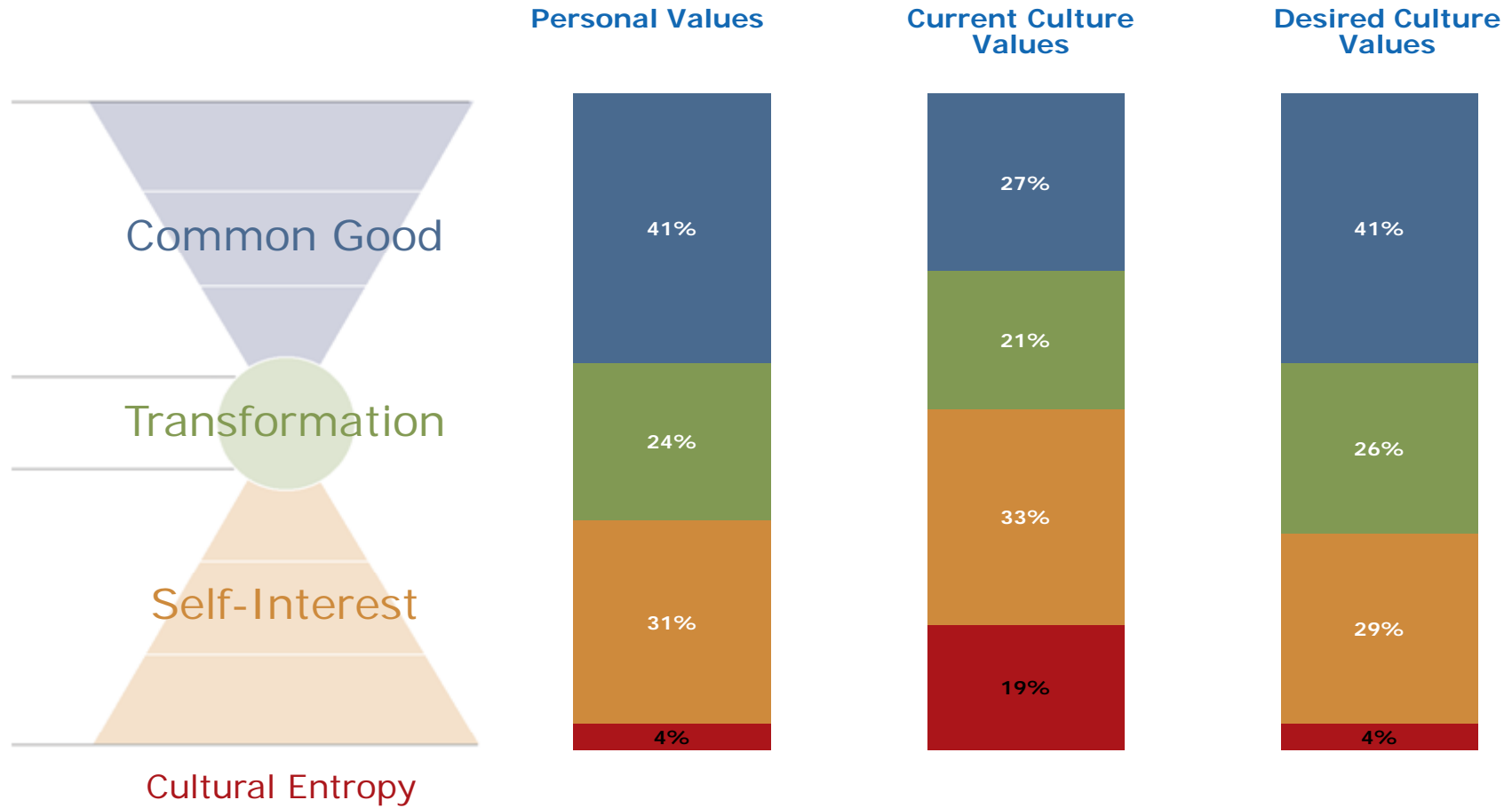
CTS = 41-26-33
Cultural Entropy = 4%

C = Common Good
 T = Transformation
 S = Self-Interest

■ Positive Values
■ Potentially Limiting Values



Company (1000)





Company (1000)

Cultural Entropy Report

This depicts the number of potentially limiting values per level in the Current Culture that were chosen by the survey participants. These represent all the potentially limiting values that were chosen and so may not be included in the top ten values on the Values Plot. Potentially limiting values are found only at levels 1, 2 and 3. This is a reflection of the degree of disorder within a system.

Level	Potentially Limiting Values (Votes)	Cultural Entropy %
3	long hours (195) hierarchy (189) bureaucracy (145) confusion (113) power (56) information hoarding (27) silo mentality (26)	8% of total votes
2	favouritism (112) internal competition (100) manipulation (97) blame (70) empire building (58)	4% of total votes
1	cost reduction (354) job insecurity (95) control (88) short-term focus (66) caution (56) exploitation (54)	7% of total votes
Total	1901 out of 9990	19% of total votes

This level of cultural entropy reflects issues requiring cultural or structural adjustment.

It is important to reduce the level of cultural entropy to improve performance.



Company (1000)

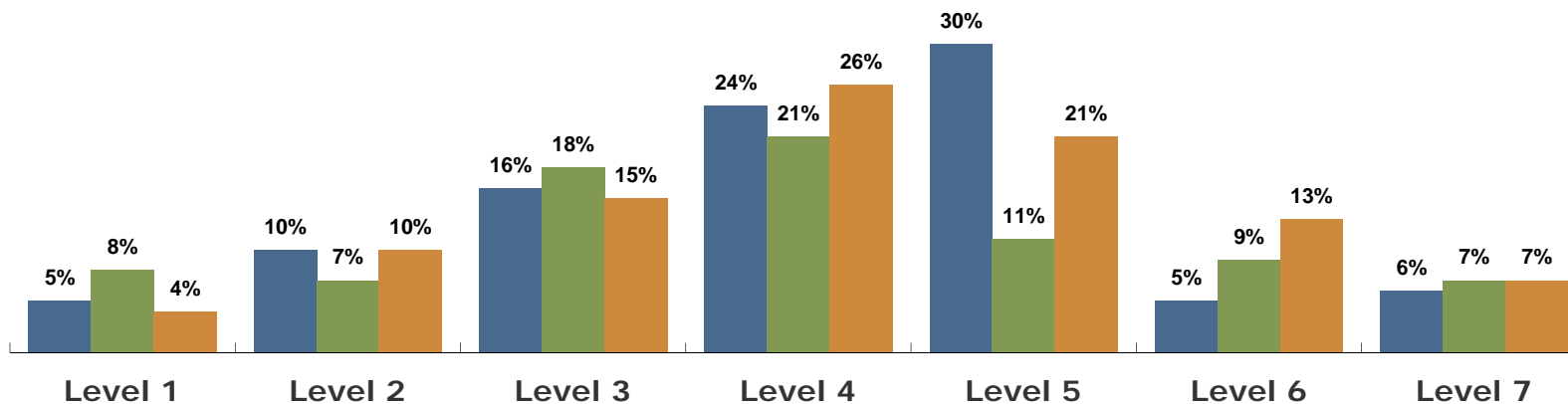
Values Jumps

A value jump occurs when there are more votes for a value in the Desired Culture than in the Current Culture. Listed below are the values with the largest increase in votes. The values in **bold** are represented in the Desired Culture.

Value	Current Culture Votes	Desired Culture Votes	Jump
employee recognition	74	339	265
transparency	68	281	213
balance (home/work)	156	359	203
employee fulfilment	51	244	193
leadership development	123	274	151
creativity	76	196	120
coaching/ mentoring	100	215	115
clarity	60	174	114
fairness	25	117	92
innovation	141	232	91



Company (1000)



Desired Culture Values		employee recognition customer satisfaction		balance (home/work) continuous improvement accountability innovation	transparency	leadership development employee fulfilment	
Values Jumps					creativity clarity fairness	coaching/ mentoring	

Personal Values ■

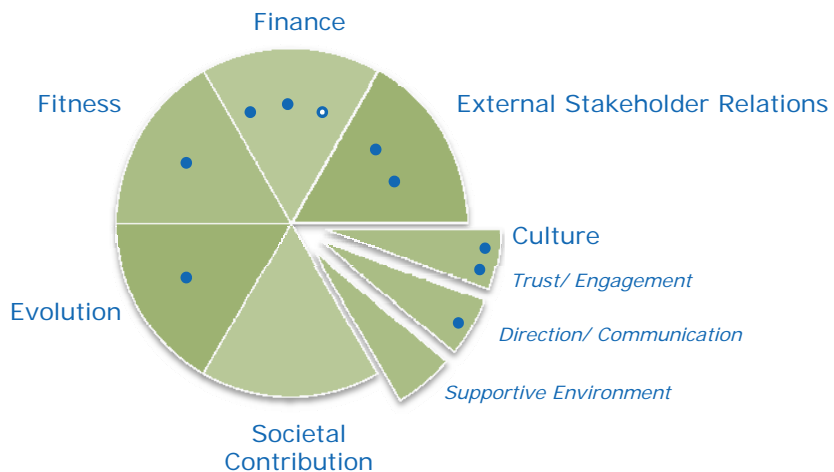
Current Culture Values ■

Desired Culture Values ■

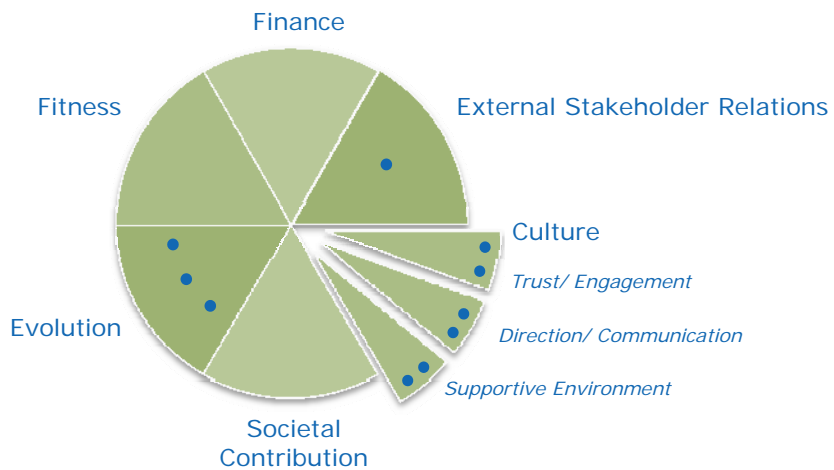


Company (1000)

Current Culture Values



Desired Culture Values

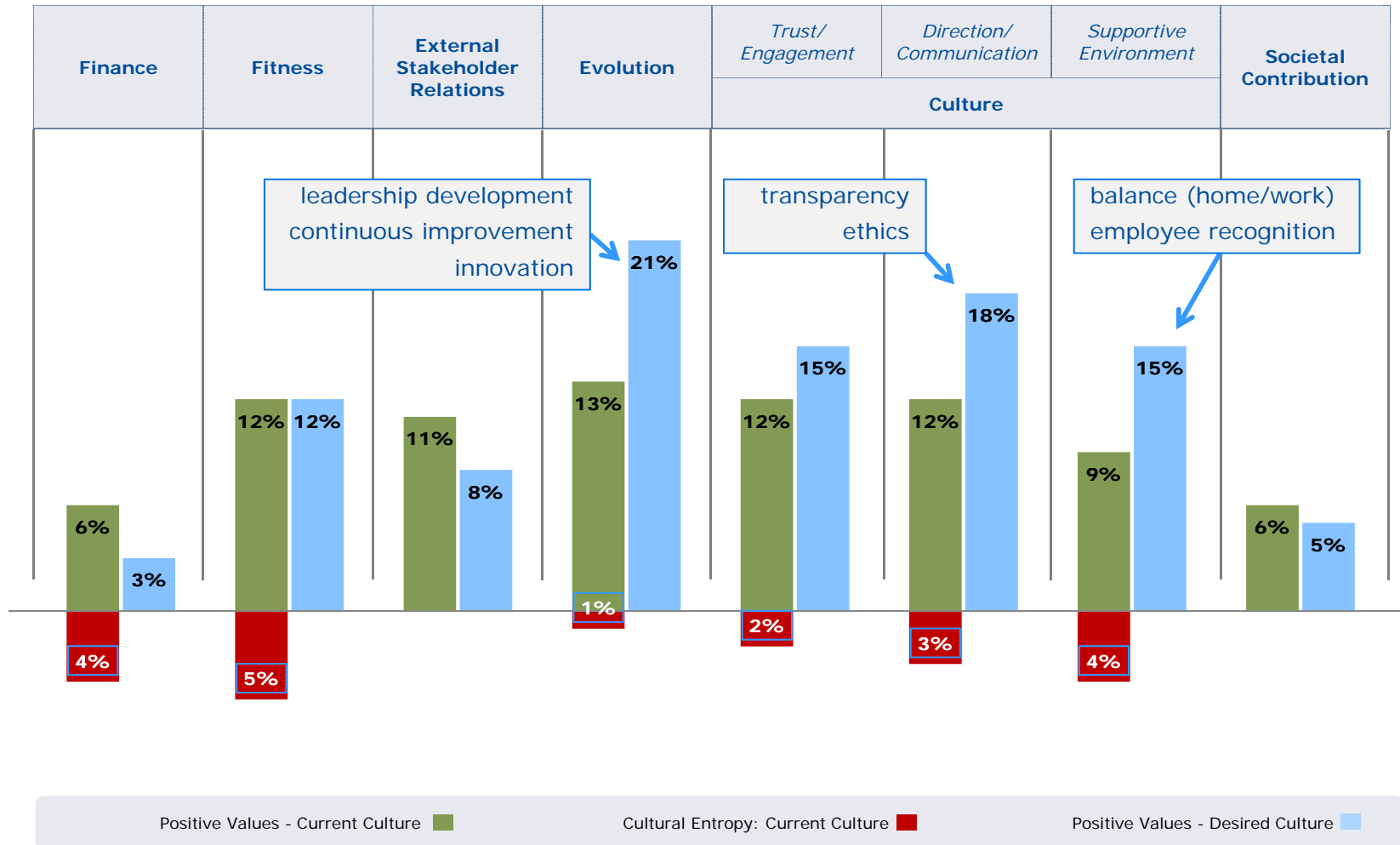


		Current Culture	Desired Culture
Finance		cost reduction (L) profit organisational growth	
Fitness		achievement	
External Stakeholder Relations		brand image customer satisfaction	customer satisfaction
Evolution		continuous improvement	leadership development continuous improvement innovation
Culture	Trust/Engagement	teamwork accountability	employee fulfilment accountability
	Direction/Communication	ethics	transparency ethics
	Supportive Environment		balance (home/work) employee recognition
Societal Contribution			



Company (1000)

Business Needs Scorecard

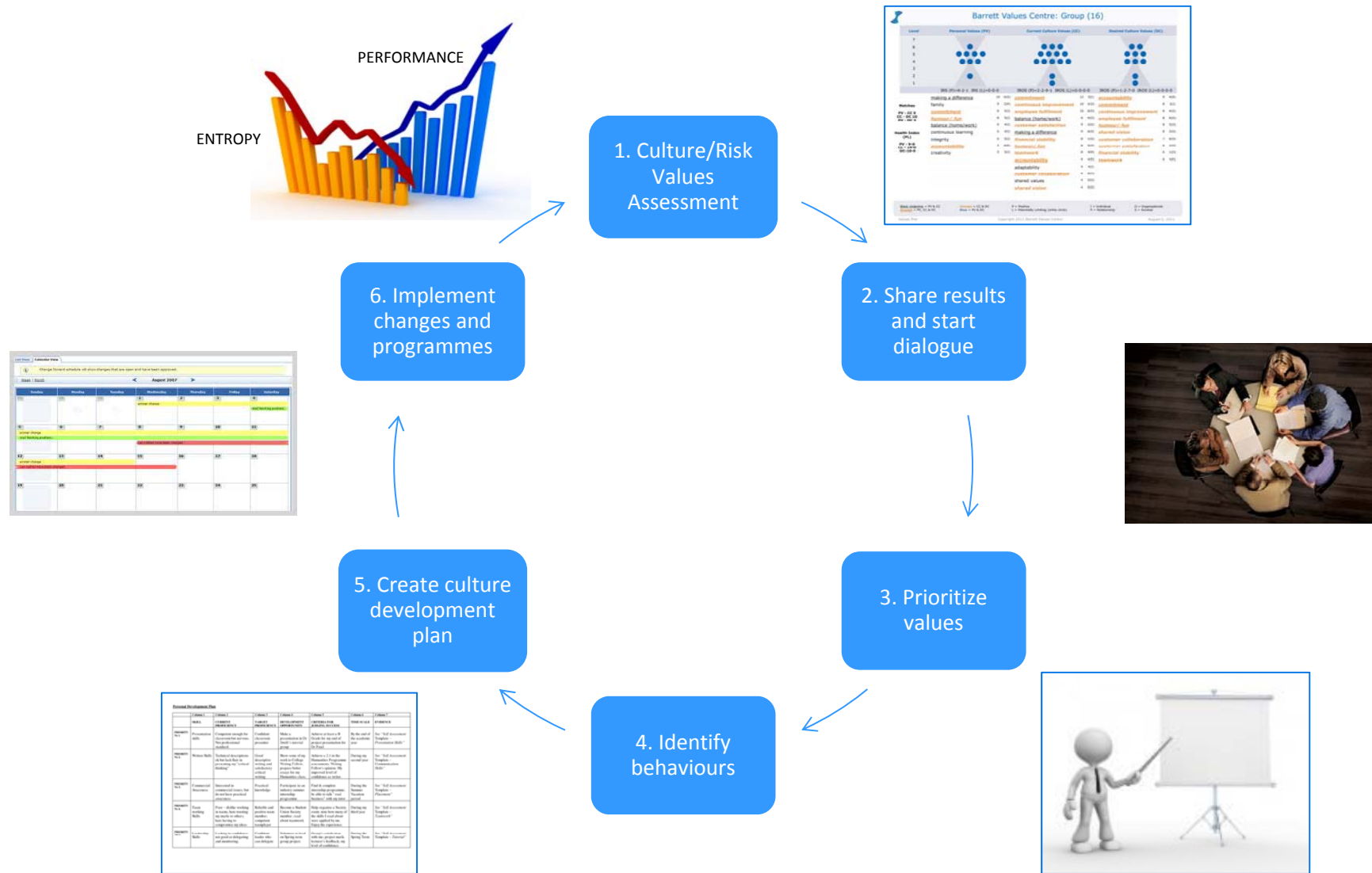


Implementing Culture Change

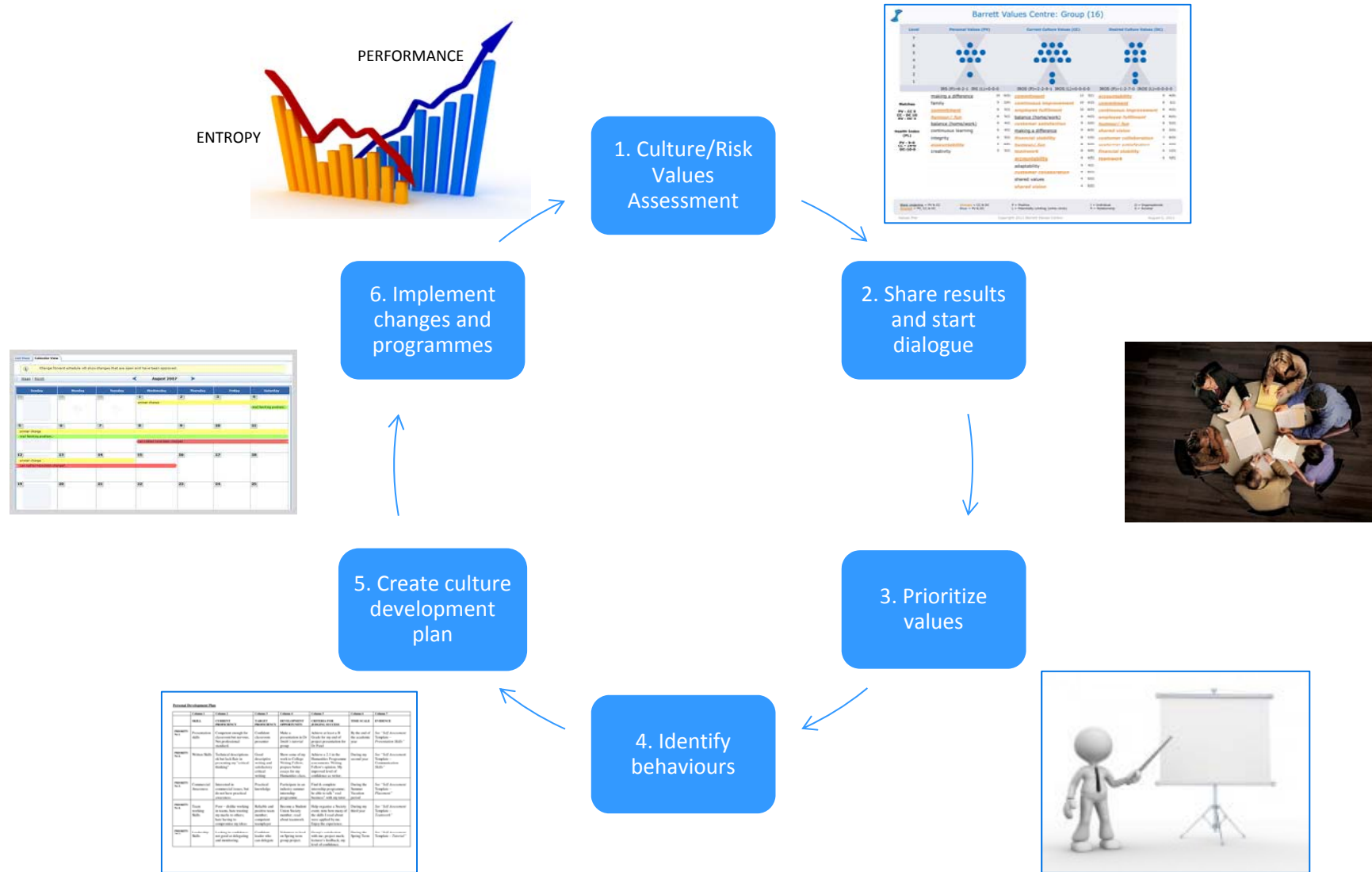


Powerful metrics that enable leaders to measure and manage cultures.

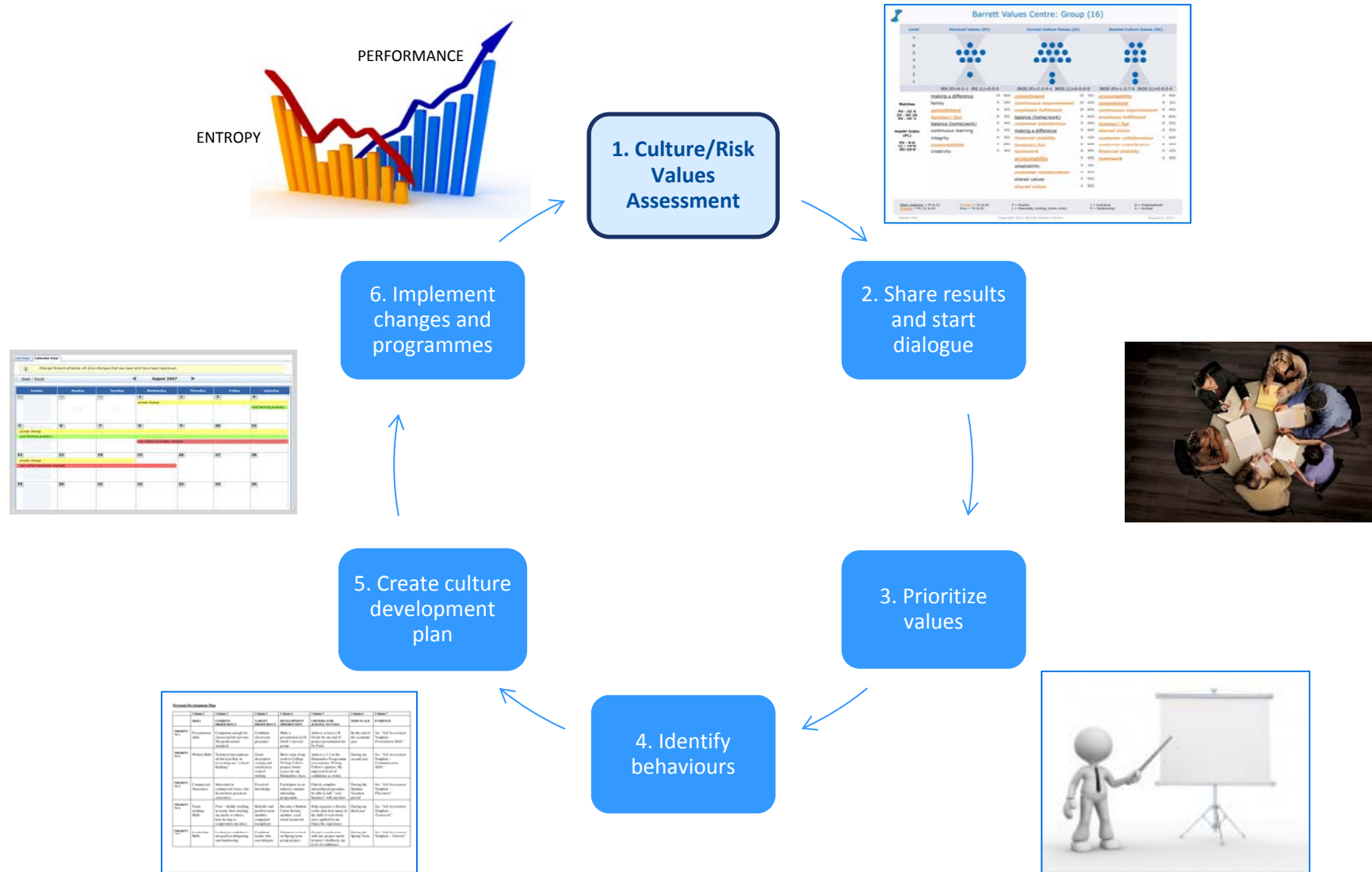
The Culture Change Process



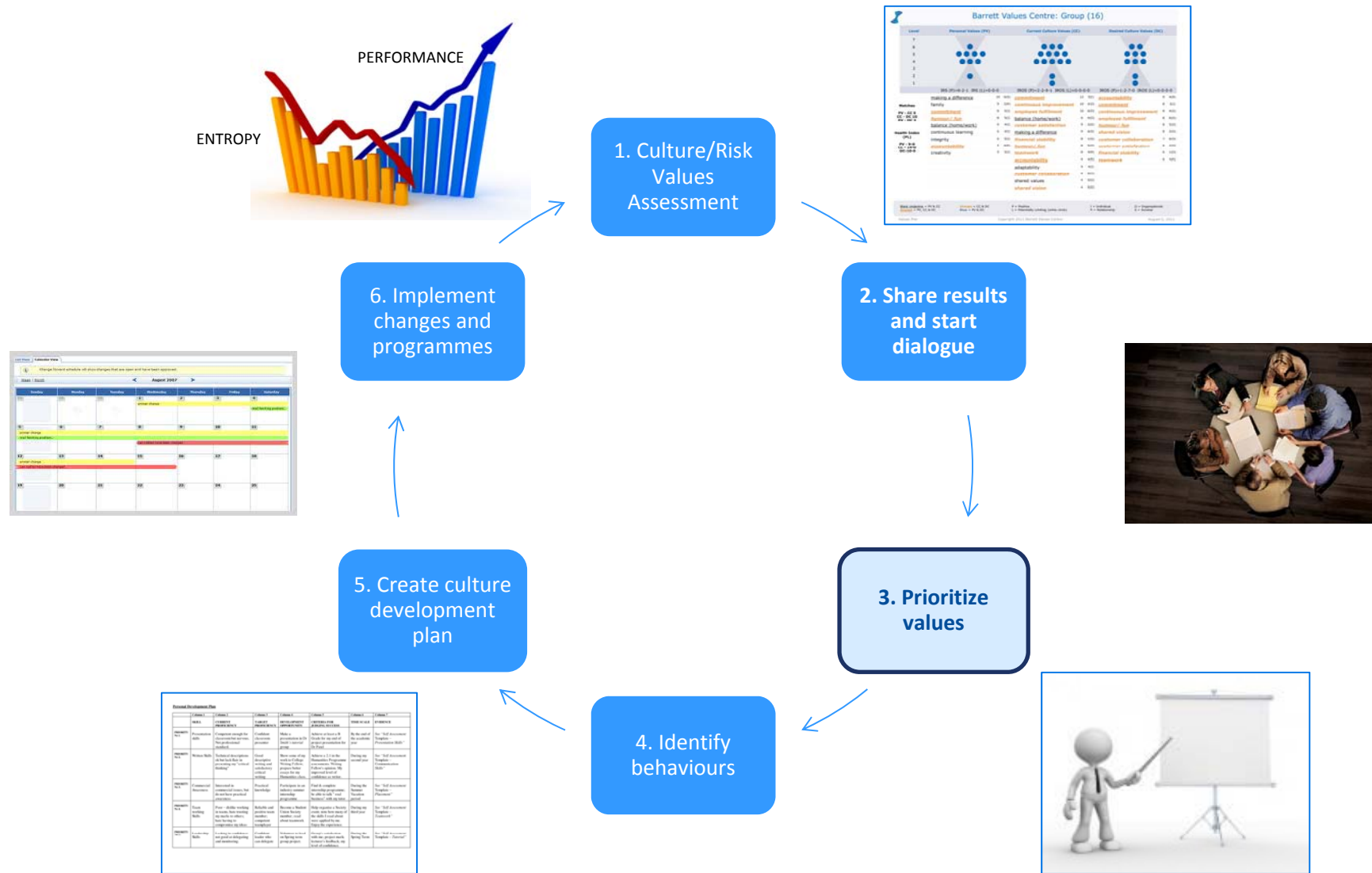
The Culture Change Process



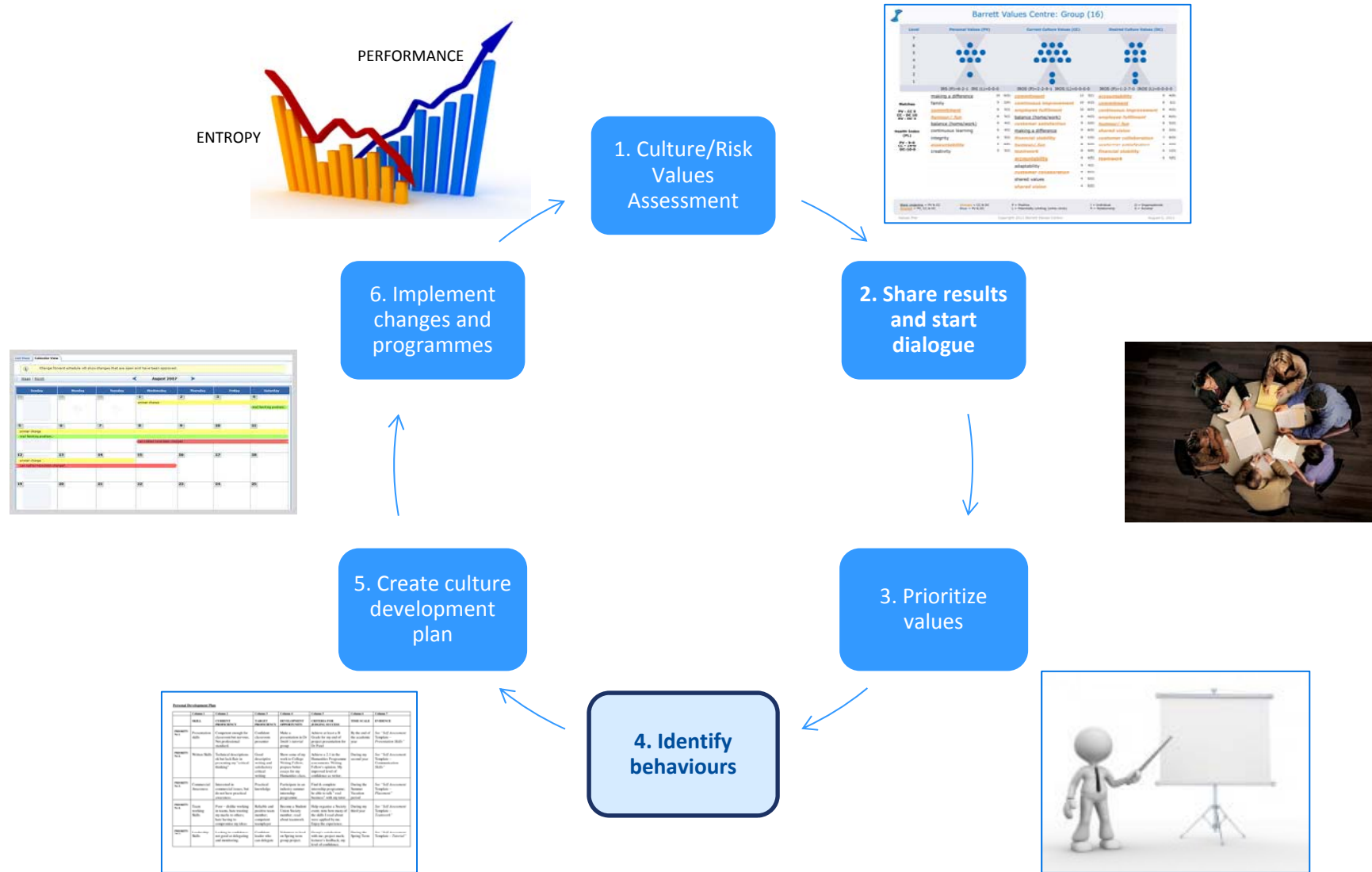
The Culture Change Process



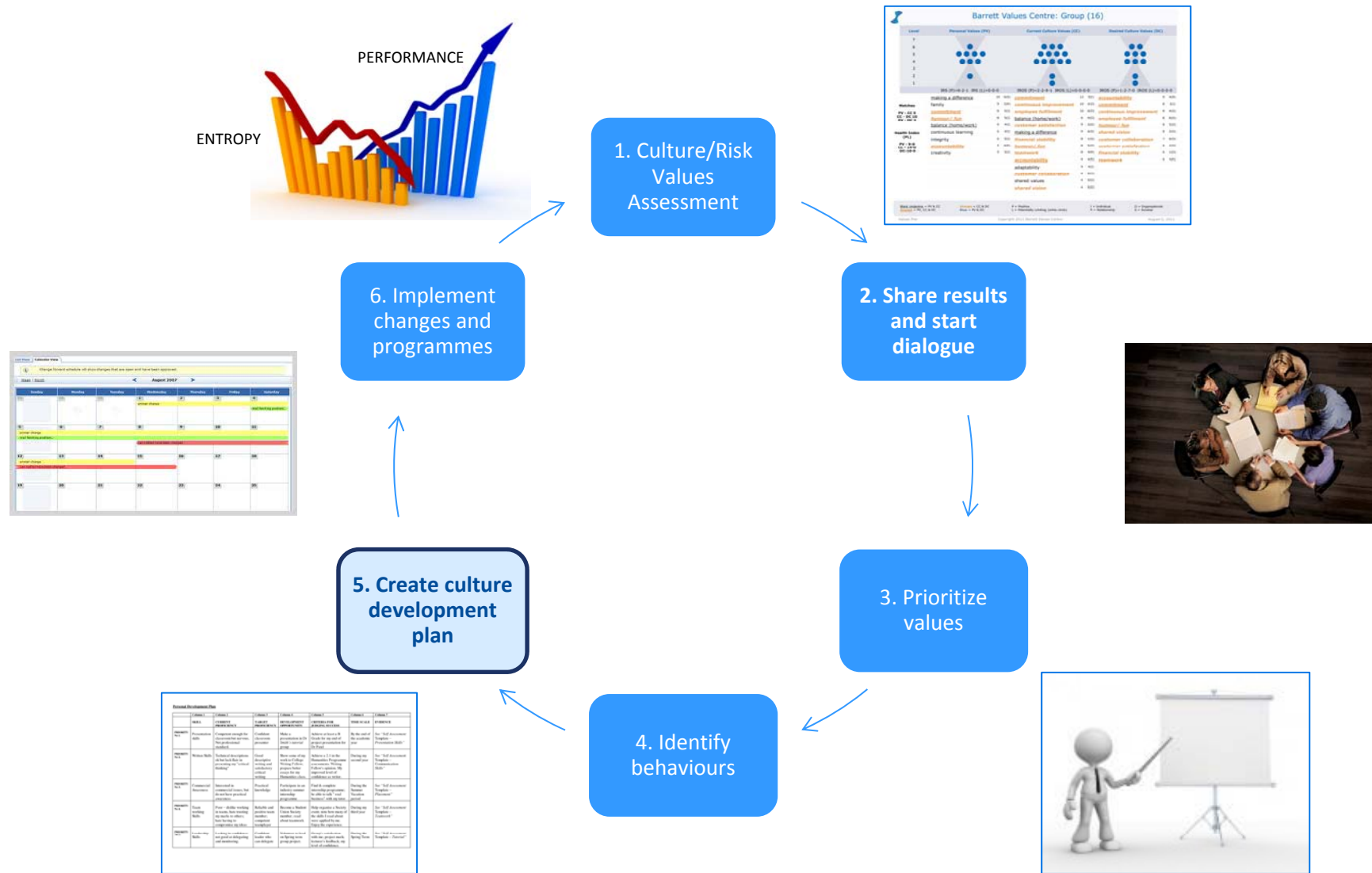
The Culture Change Process



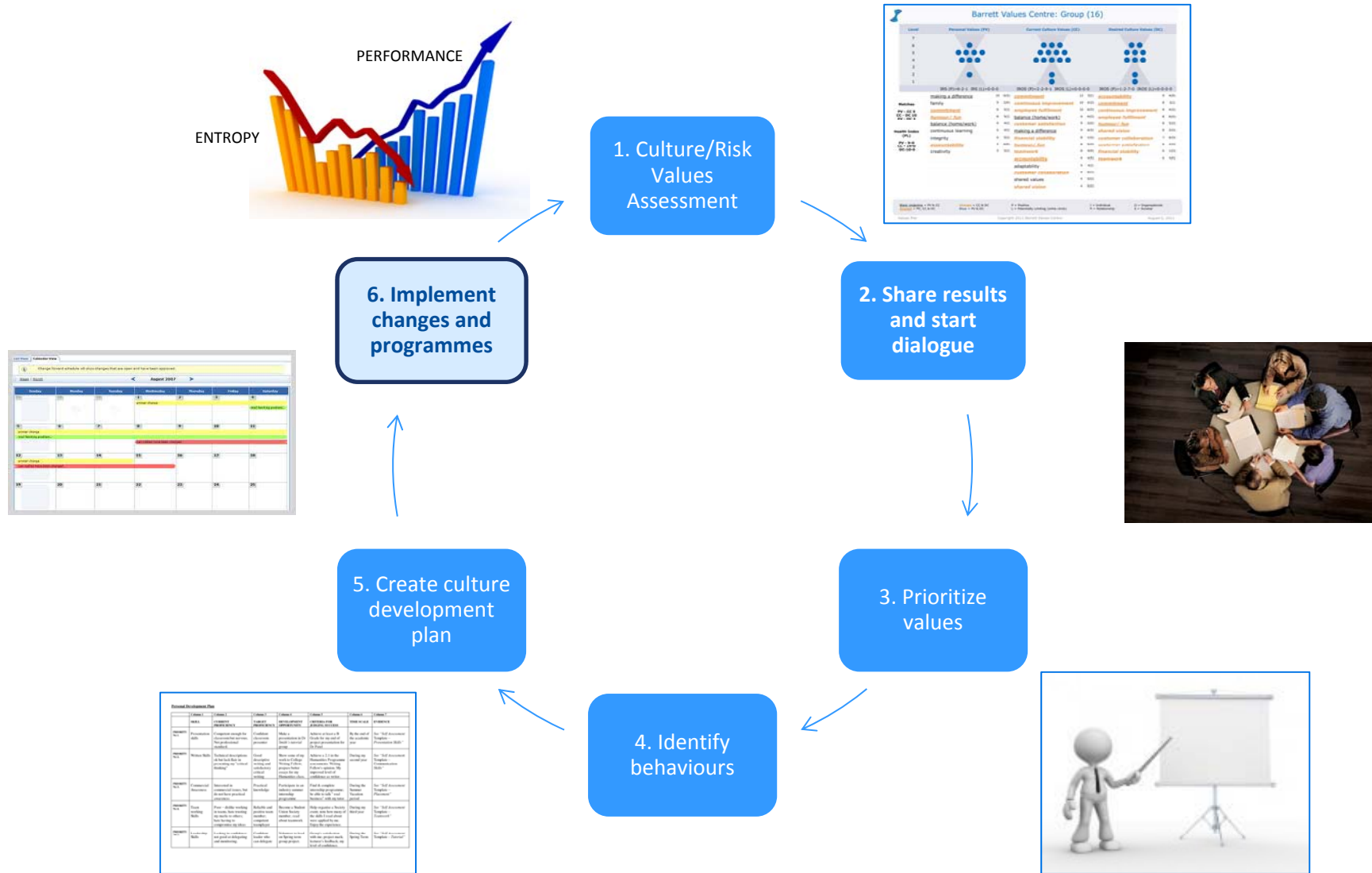
The Culture Change Process



The Culture Change Process



The Culture Change Process



Create Culture Development Plan

OVERARCHING GOALS

1. REDUCE CULTURAL ENTROPY OF ORGANISATION

- **System wide changes**
 - Employee engagement
 - Employee recognition
 - Employee fulfilment
 - Structural alignment
- **Targeted changes**
 - Specific high entropy teams/units

2. REDUCE PERSONAL ENTROPY OF LEADERS

- **Leadership coaching and mentoring (specific leaders)**
 - Leadership values assessment
 - Leadership development report
- **Leadership development programmes**
 - Leading self
 - Leading a team
 - Leading an organisation

How Does Cultural Entropy Arise?

Cultural entropy is a function of the personal entropy of the current leaders of an organisation and institutional legacy of past leaders as embedded in the structures, systems, policies and procedures.

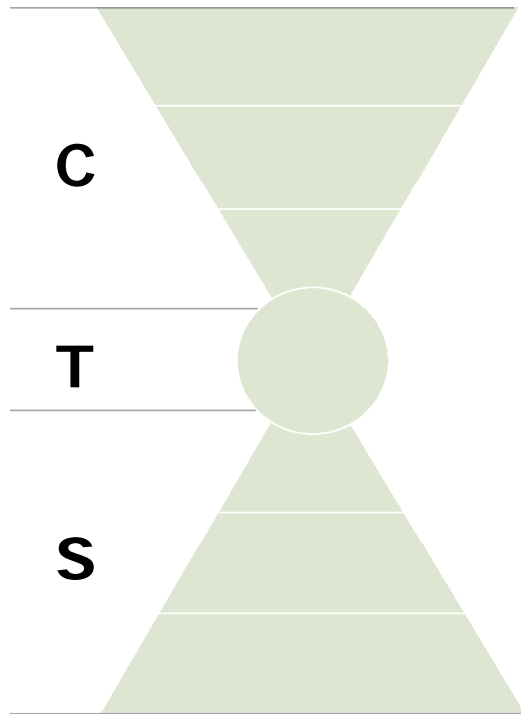
What is Personal Entropy?

Personal entropy is the amount of fear-driven energy that a person expresses in his or her day-to-day interactions with other people.

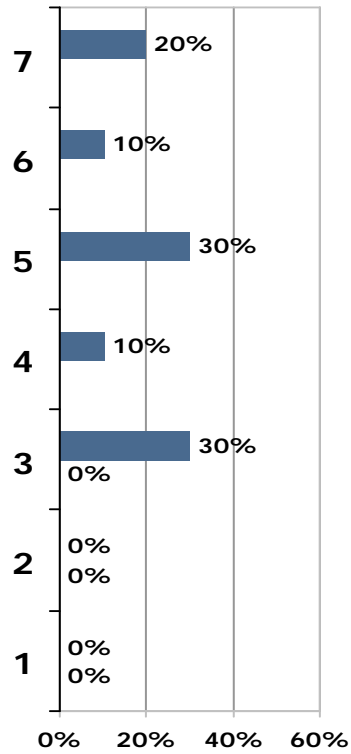
It is a measure of a lack of a person's lack of personal mastery skills. Fear-driven energy arises from the conscious and subconscious fear-based beliefs of the ego about meeting its deficiency needs.



Darth Vader

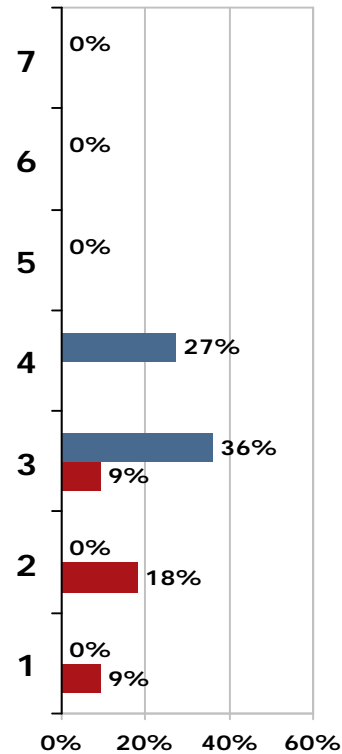


Darth's Values



CTS = 60-10-30
Entropy = 0%

Assessors' Values



CTS = 0-27-73
Entropy = 36%

Level of Personal Entropy

C = Common Good
T = Transformation
S = Self-Interest

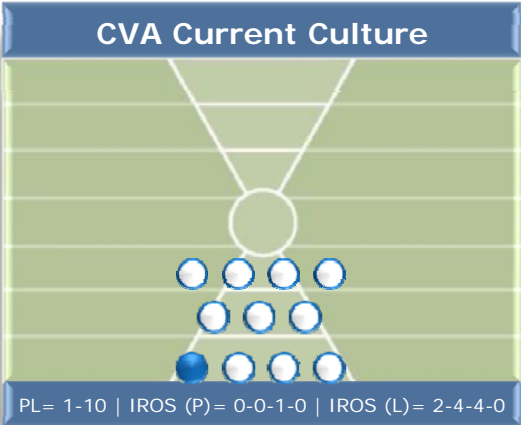
■ Positive Values
■ Potentially Limiting Values

Cultural Evolution Begins with Personal Evolution

The culture of an organisation is a reflection of leadership consciousness.



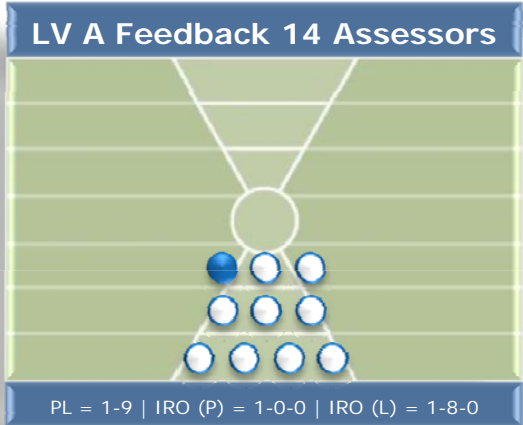
Culture Values



Cultural Entropy 38%

1. short-term focus (L)	13	Level 1
2. blame (L)	11	Level 2
3. manipulation (L)	10	Level 2
4. caution (L)	7	Level 1
5. cynicism (L)	7	Level 3
6. bureaucracy (L)	6	Level 3
7. control (L)	6	Level 1
8. cost reduction	5	Level 1
9. empire building (L)	5	Level 2
10. image (L)	5	Level 3
11. long hours (L)	5	Level 3

Leader's Values

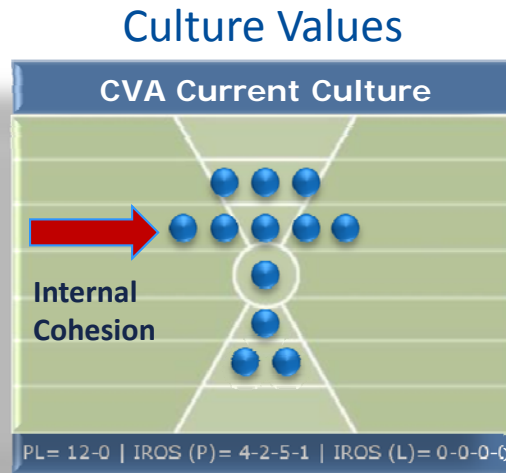


Personal Entropy 64%

power (L)	11	Level 3
blame (L)	10	Level 2
demanding (L)	10	Level 2
manipulative (L)	10	Level 2
experience	9	Level 3
controlling (L)	8	Level 1
arrogant (L)	7	Level 3
authoritarian (L)	6	Level 1
exploitative (L)	6	Level 1
ruthless (L)	6	Level 1

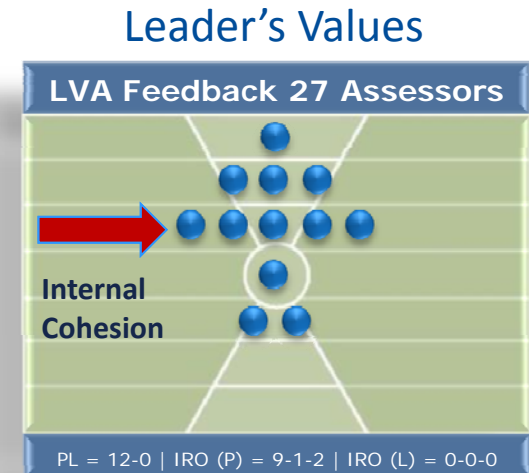
Cultural Evolution Begins with Personal Evolution

The culture of an organisation is a reflection of leadership consciousness.



Cultural Entropy 7%

1. customer satisfaction	16	Level 2
2. commitment	11	Level 5
3. continuous learning	11	Level 4
4. making a difference	11	Level 6
5. global perspective	9	Level 3
6. mentoring	9	Level 6
7. enthusiasm	8	Level 5
8. leadership development	8	Level 6
9. integrity	7	Level 5
10. open communication	7	Level 2
11. optimism	7	Level 5
12. shared values	7	Level 5

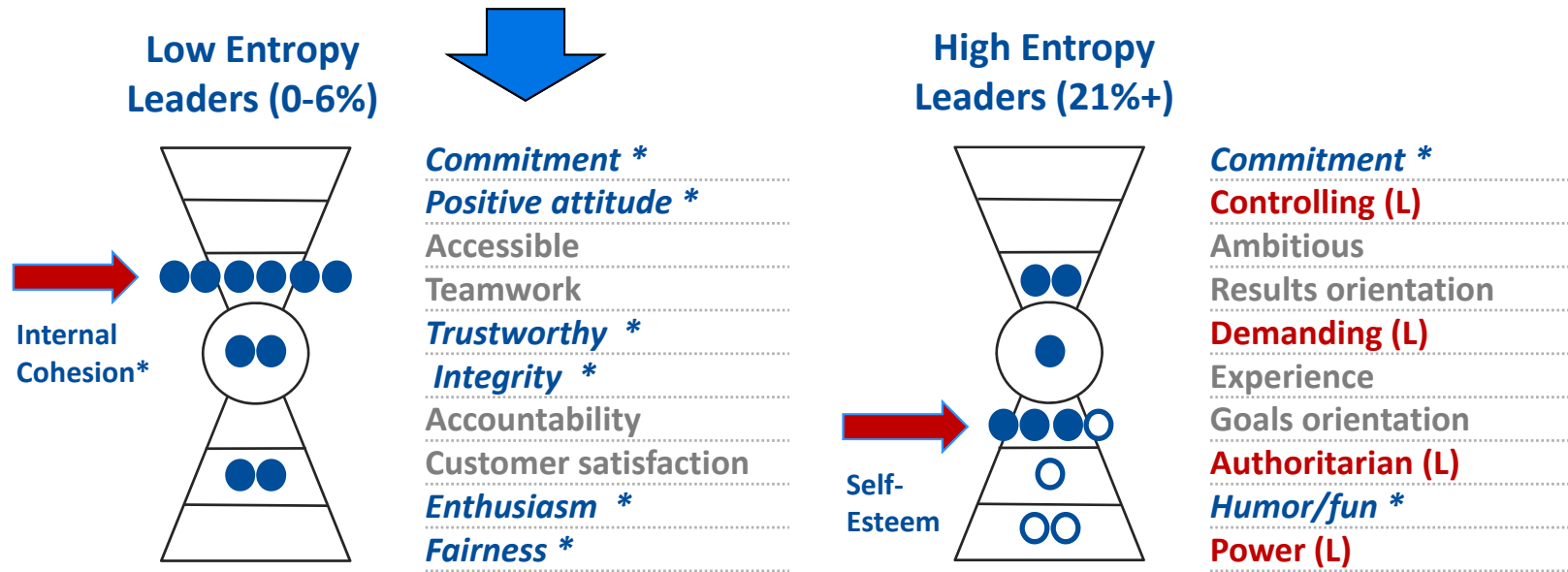


Personal Entropy 9%

continuous learning	11	Level 4
generosity	11	Level 5
commitment	10	Level 5
positive attitude	10	Level 5
vision	10	Level 7
ambitious	9	Level 3
making a difference	8	Level 6
results orientation	8	Level 3
honesty	7	Level 5
integrity	7	Level 5
intuition	7	Level 6
leadership developer	7	Level 6

What Low Entropy Leaders Focus on ...

Values that address employees needs and create internal cohesion



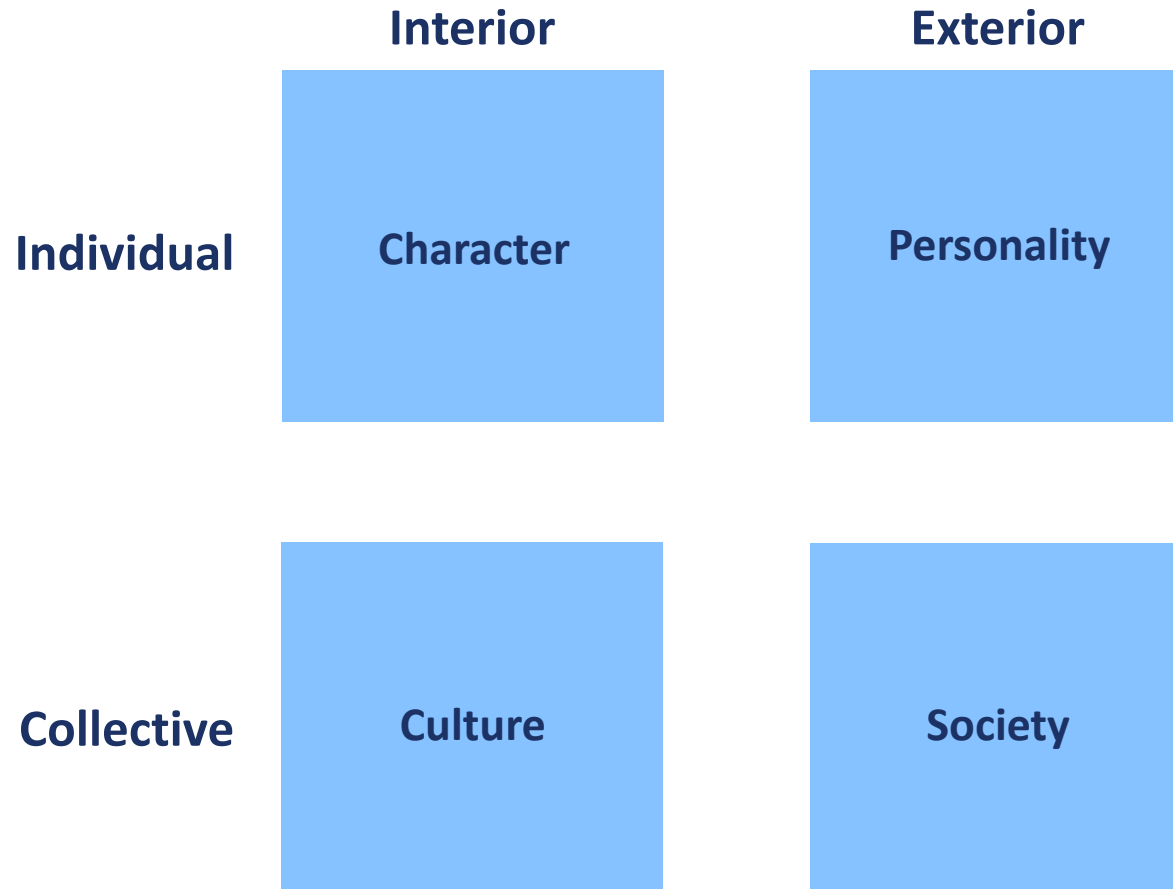
Based on 360⁰ Leadership Values Feedback carried out on 100 leaders from 19 countries (2008-2010).

Four Conditions for Employee Engagement

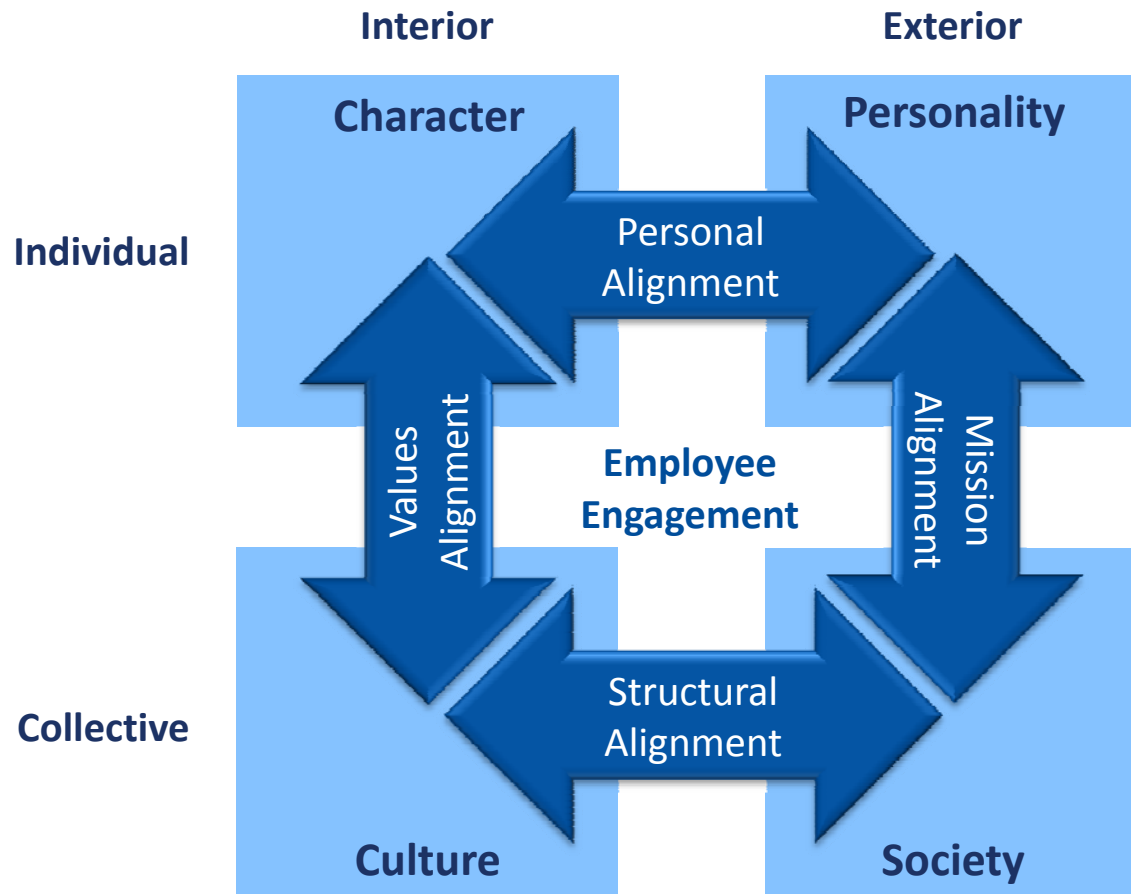


Powerful metrics that enable leaders to measure and manage cultures.

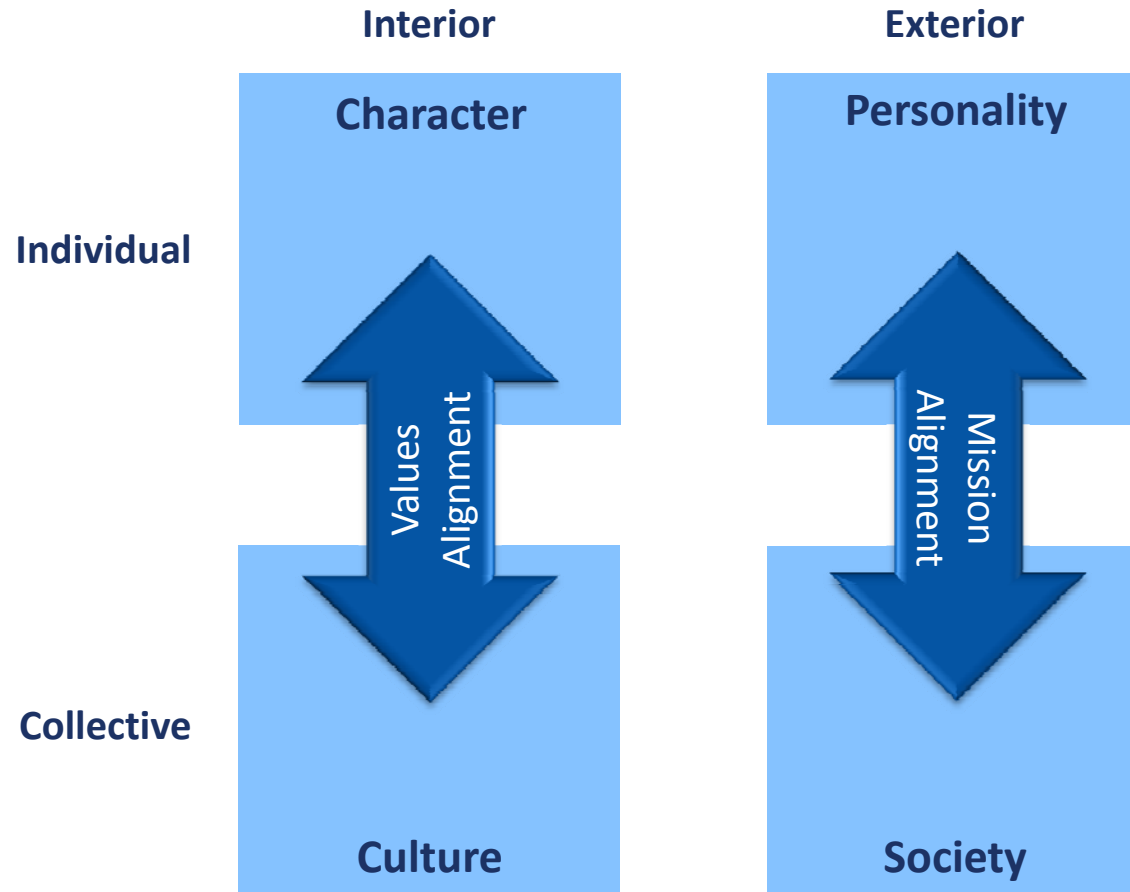
Four Quadrants of Human Organisations



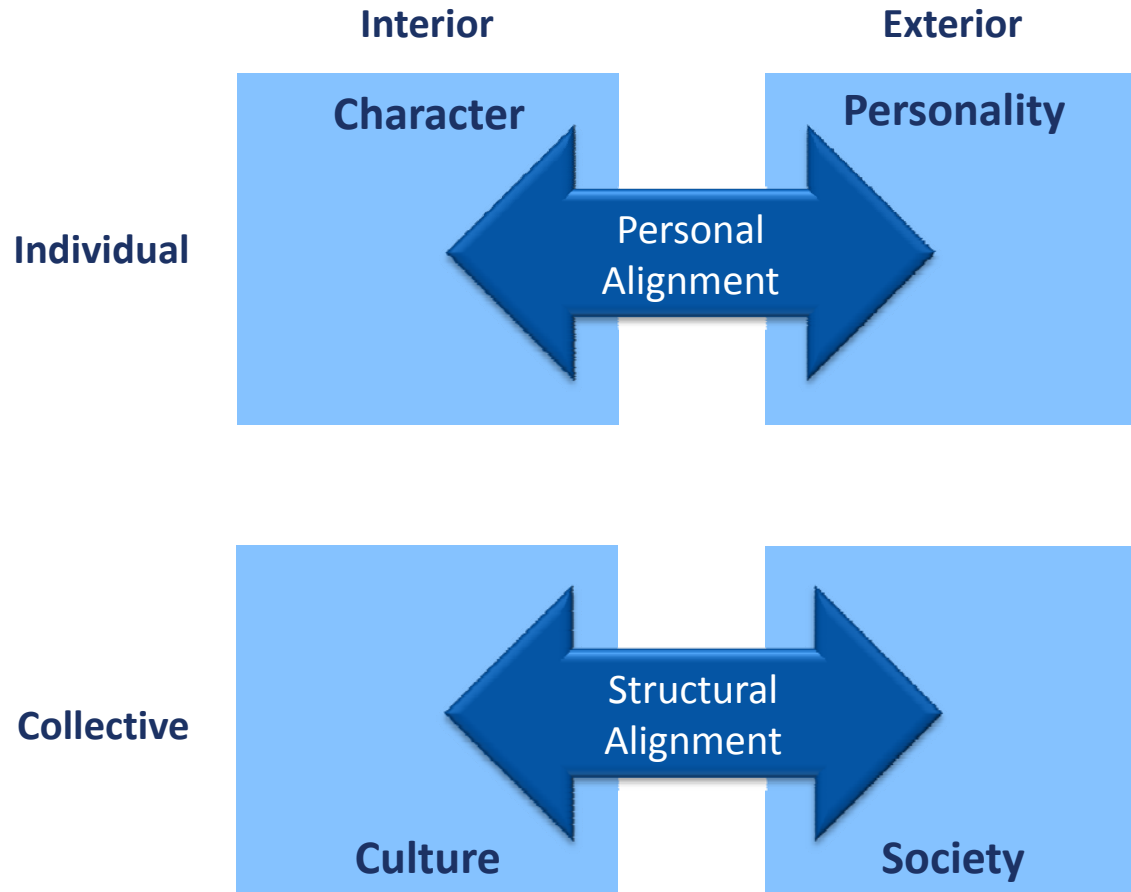
Four Conditions for Employee Engagement



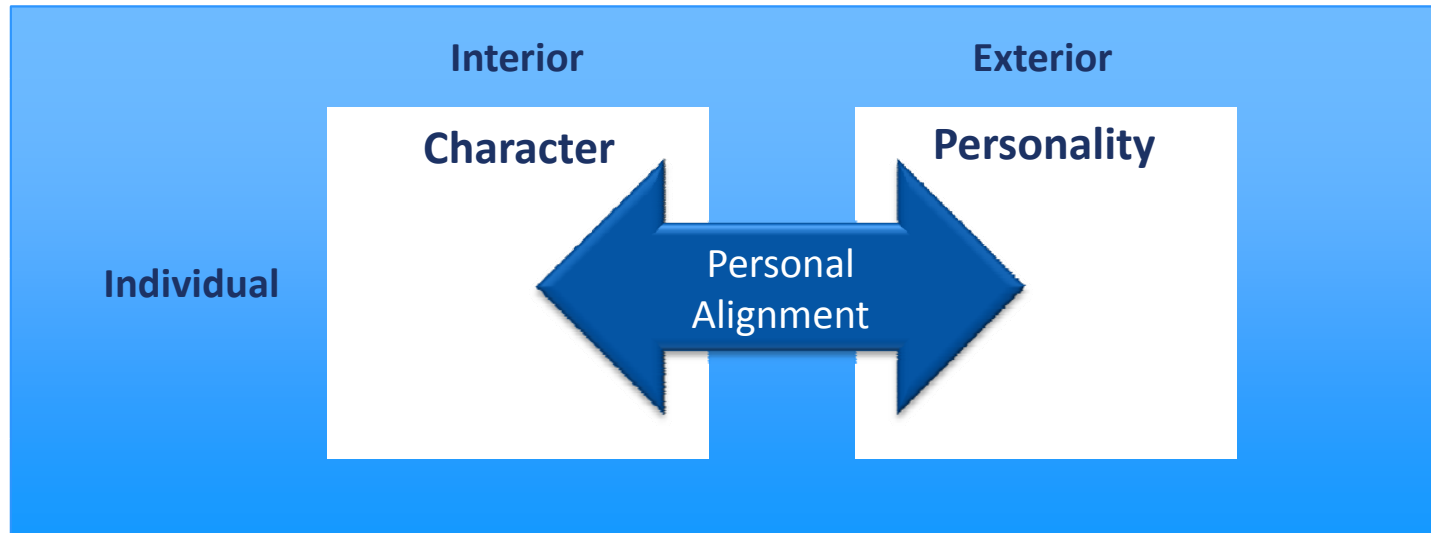
What engaged employees want to experience



What leaders must do to create engagement

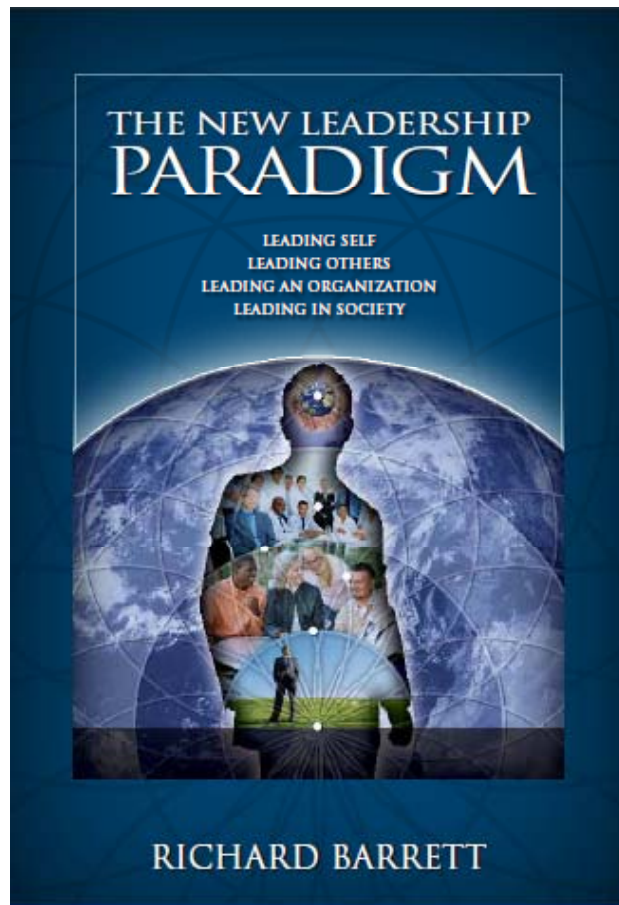


Personal Alignment



In order to effectively lead others, leaders must first learn how to lead themselves. This involves personal mastery—overcoming the fears that make you ineffective as a leader, and personal alignment—becoming your authentic self and displaying high levels of integrity.

Leadership Development



A Leadership Development Text Book for the 21st Century

Part 1: Fundamentals

Part 2: Leading Self

Part 3: Leading Others

Part 4: Leading an Organisation

Part 5: Leading in Society

TNLP Web Site

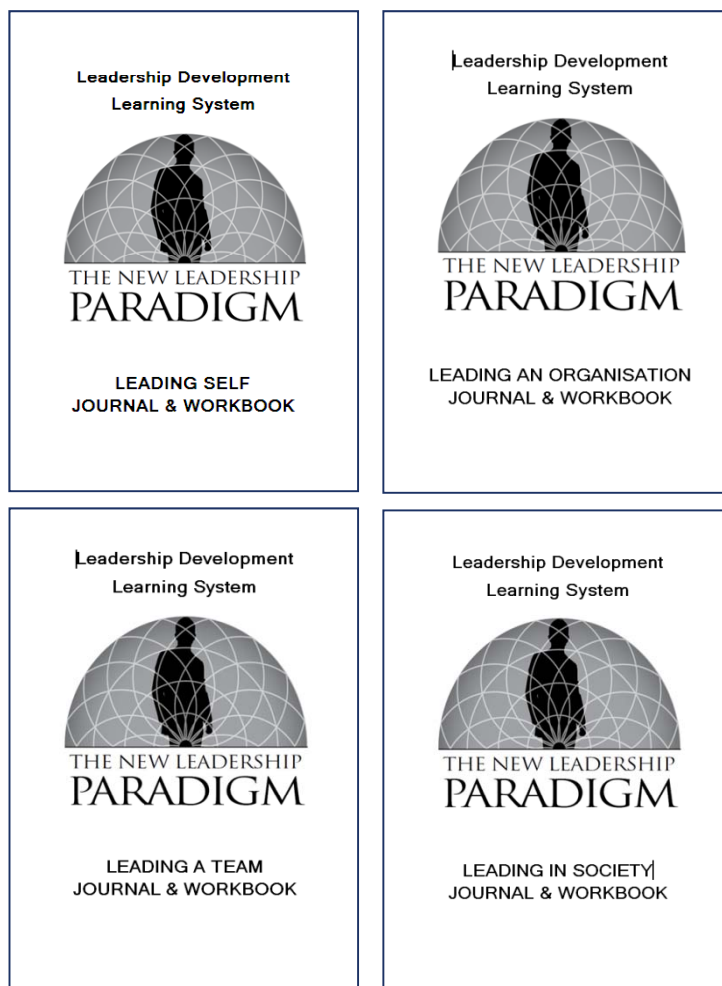


A State-of-the-Art,
Customisable Multi-
media, Web site

Getting Started	Community Updates	Blogs	Tweets & News Feeds
<p>In the following order:</p> <p>Read the Learning System</p> <p>Read the Fundamentals</p> <p>Click here for Flyer/Overview</p> <p>Click here to View Video (15 mins)</p> <p>Click here to Purchase Book</p>	<p>In this section we will be letting you know about updates to The New Leadership Paradigm learning system. We will also be providing you with news about where and how the learning system is being used. We will be using the feedback that users provide to constantly improve the Web site, and the Journals and Workbooks. We encourage all users to support</p>	<p>As a new paradigm leader, it is important to stay up-to-date with the latest information on personal development, leadership development, leadership practices, and talent management.</p> <p>In this section you will find the latest blogs and articles from individuals and organisations that reflect the ethos and evolution of</p>	<p>In this section, you can access breaking information about leadership development and leadership practices from News Feeds and those who are tweeting about leadership, values and culture from around the world.</p> <p>Click here to access Tweets & News Feeds</p>

www.newleadershipparadigm.com

The Journals and Workbooks



A Customisable Leadership Development Learning System

Leading Self

(43 Exercises)

Leading a Team

(28 Exercises)

Leading an Organisation

(33 Exercises)

Leading in Society

(30 Exercises)

The Journals and Workbooks



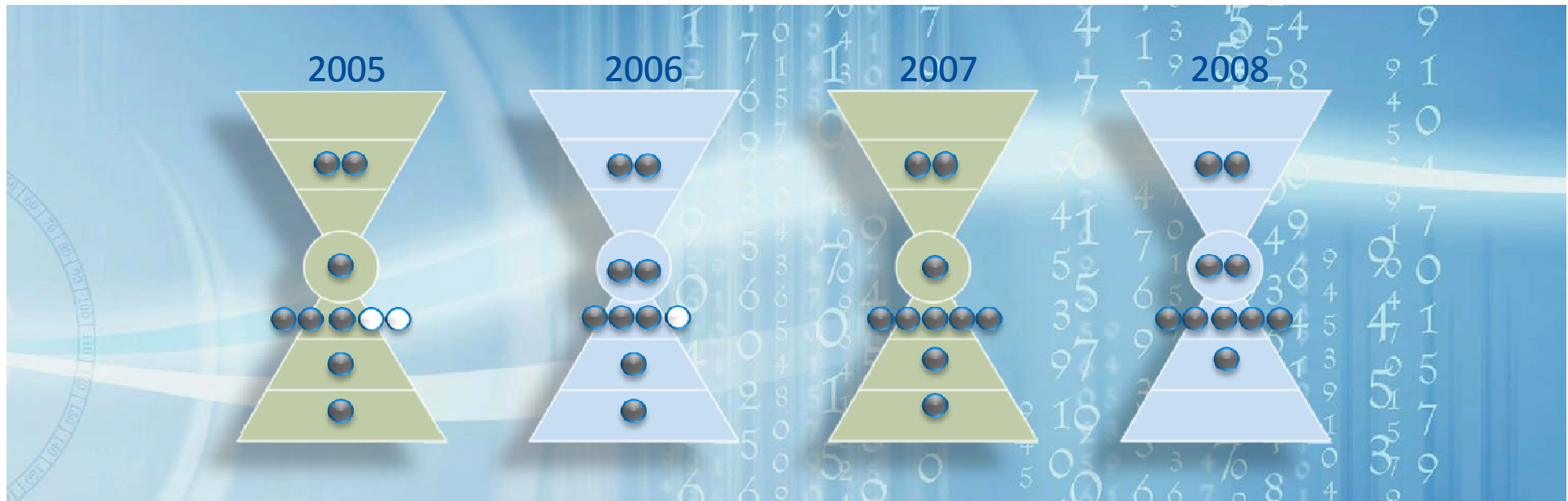
Begin with learning to lead yourself—personal mastery and personal alignment. Then learning to lead others. As you learn more about leading others, you continue to learn more about leading yourself.

Example of Cultural Evolution



Powerful metrics that enable leaders to measure and manage cultures.

SA Bank: Current Culture Evolution



1. cost-consciousness
2. profit
3. **accountability**
4. community involvement
5. ***client-driven***
6. process-driven
7. bureaucracy (L)
8. results orientation
9. ***client satisfaction***
10. silo mentality (L)

3 matches

1. cost-consciousness
2. **accountability**
3. ***client-driven***
4. ***client satisfaction***
5. results orientation
6. performance driven
7. profit
8. bureaucracy (L)
9. ***teamwork***
10. community involvement

4 matches

1. ***client-driven***
2. **accountability**
3. ***client satisfaction***
4. cost-consciousness
5. community involvement
6. performance driven
7. profit
8. ***achievement***
9. being the best
10. results orientation

4 matches

1. **accountability**
2. ***client-driven***
3. ***client satisfaction***
4. community involvement
5. ***achievement***
6. cost-consciousness
7. ***teamwork***
8. performance driven
9. being the best
10. delivery

5 matches

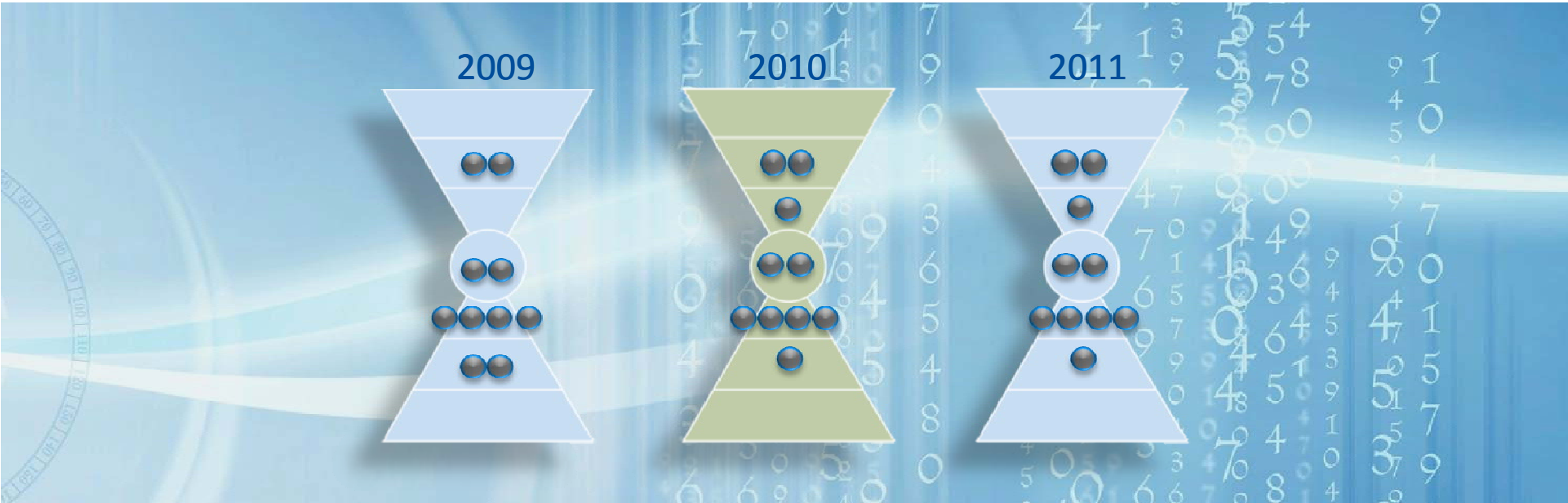
Entropy 25%

Entropy 19%

Entropy 17%

Entropy 14%

SA Bank: Current Culture Evolution



- 1. accountability
- 2. client-driven
- 3. client satisfaction
- 4. cost-consciousness
- 5. community involvement
- 6. achievement
- 7. teamwork
- 8. employee recognition
- 9. being the best
- 10. performance driven

6 matches

- 1. accountability
- 2. client satisfaction
- 3. client-driven
- 4. teamwork
- 5. brand reputation
- 6. being the best
- 7. achievement
- 8. commitment
- 9. community involvement
- 10. cost-consciousness

6 matches

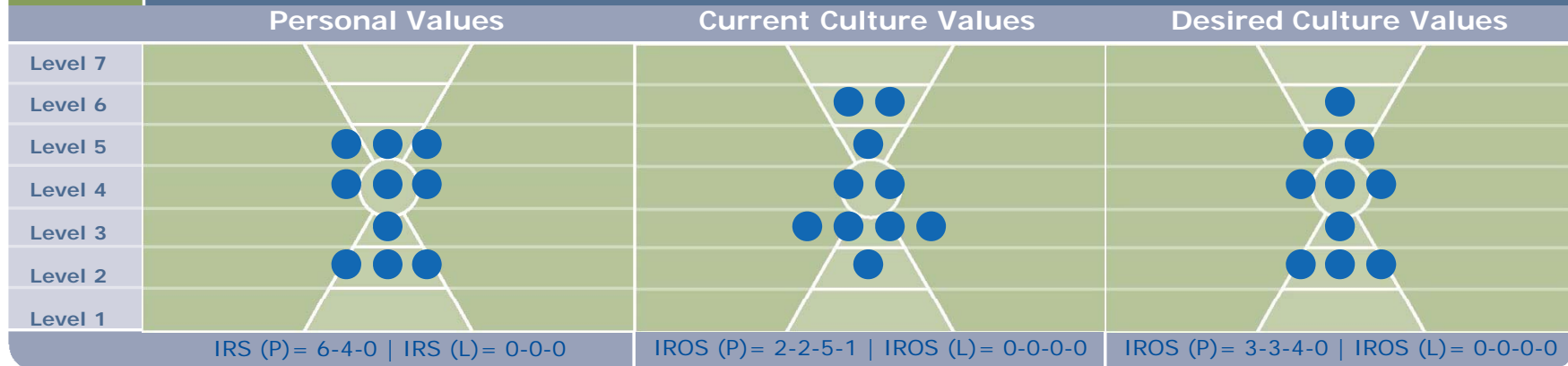
- 1. accountability
- 2. client-driven
- 3. client satisfaction
- 4. brand reputation
- 5. achievement
- 6. teamwork
- 7. environmental awareness
- 8. commitment
- 9. being the best
- 10. cost-consciousness

6 matches

Entropy 14% → Entropy 13% → Entropy 13% → Entropy 11%



SA Bank: Group (2011)

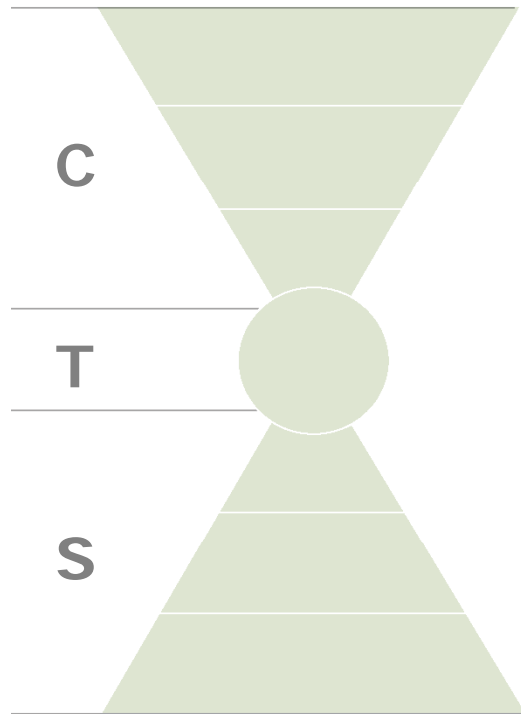


Matches	1. <u>accountability</u>	8576 4(R)	1. <u>accountability</u>	5464 4(R)	1. <u>accountability</u>	6987 4(R)
PV - CC 2	2. honesty	6133 5(I)	2. <i>client-driven</i>	4571 6(O)	2. balance (home/work)	4183 4(O)
CC - DC 6	3. <u>commitment</u>	5221 5(I)	3. <i>client satisfaction</i>	3486 2(O)	3. <i>client-driven</i>	3864 6(O)
PV - DC 4	4. respect	4420 2(R)	4. brand reputation	2740 3(O)	4. <i>client satisfaction</i>	3742 2(O)
Health Index (PL)	5. family	4057 2(R)	5. <i>achievement</i>	2491 3(I)	5. employee recognition	3297 2(R)
PV: 10-0	6. integrity	4023 5(I)	6. <i>teamwork</i>	2408 4(R)	6. honesty	3053 5(I)
CC: 10-0	7. caring	3568 2(R)	7. environmental awareness	2372 6(S)	7. <u>commitment</u>	2953 5(I)
DC: 10-0	8. balance (home/work)	3526 4(I)	8. <u>commitment</u>	2263 5(I)	8. <i>achievement</i>	2809 3(I)
	9. responsibility	3279 4(I)	9. being the best	2218 3(O)	9. <i>teamwork</i>	2744 4(R)
	10. efficiency	3085 3(I)	10. cost-consciousness	2187 3(O)	10. employee satisfaction	2687 2(O)

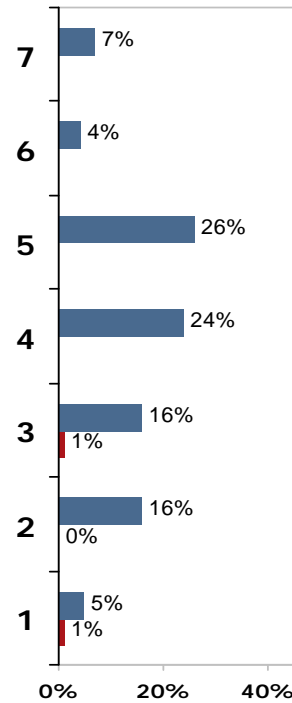
Black Underline = PV & CC Orange = CC & DC P = Positive L = Potentially Limiting I = Individual O = Organizational
 Orange = PV, CC & DC Blue = PV & DC (white circle) R = Relationship S = Societal



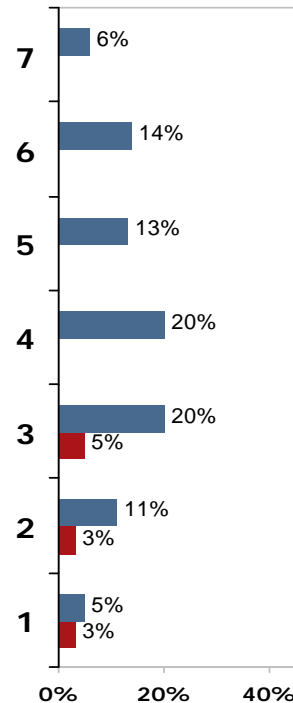
SA Bank: Group (2011)



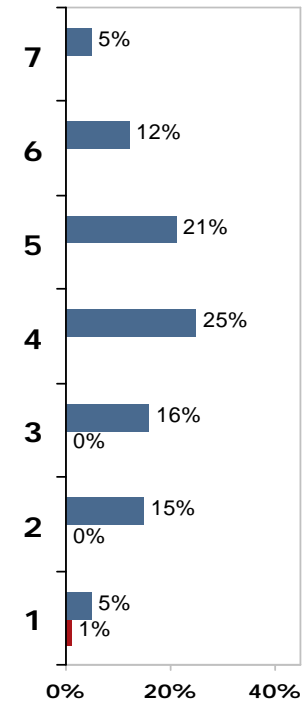
Personal Values



Current Culture Values



Desired Culture Values



CTS = 37-24-39
Entropy = 2%

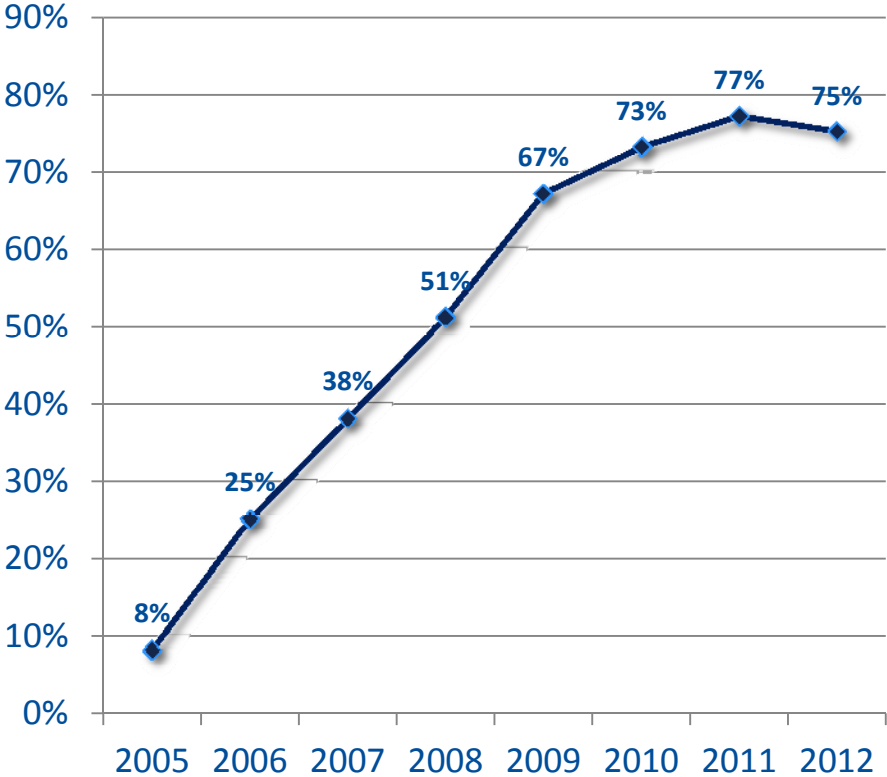
CTS = 33-20-47
Entropy = 11%

CTS = 38-25-37
Entropy = 1%

C = Common Good
T = Transformation
S = Self-Interest

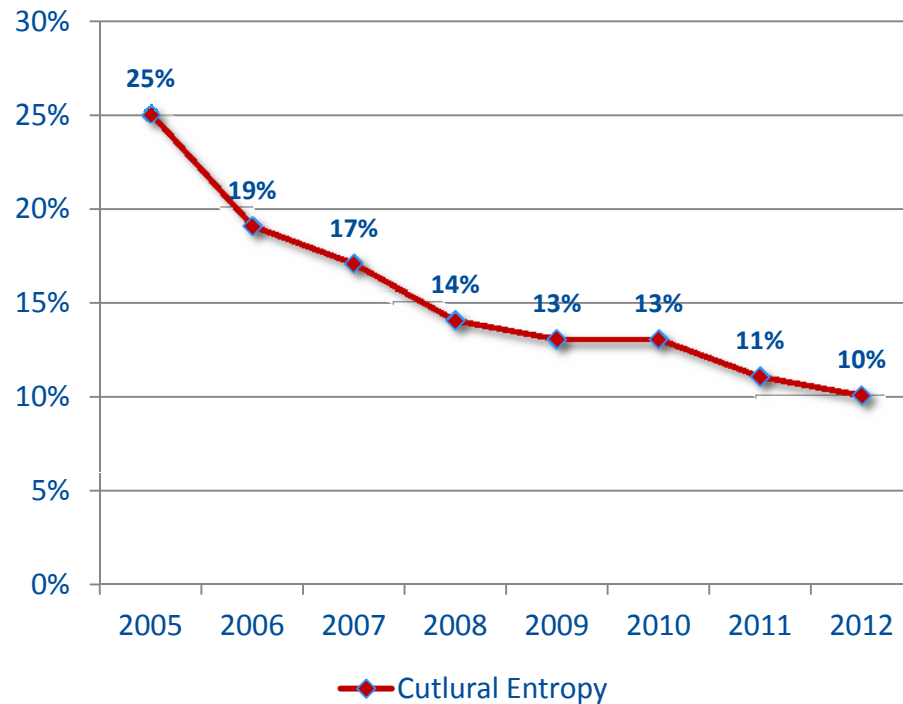
■ Positive Values
■ Potentially Limiting Values

Evolution of Survey Participants



Percentage of employees voluntarily participating in the values assessment grew significantly each year as people realized that the leaders of the organisation were not just paying attention to the results of the assessment, but were taking actions to reduce cultural entropy and increase the values and mission alignment every year.

Cultural Entropy Evolution



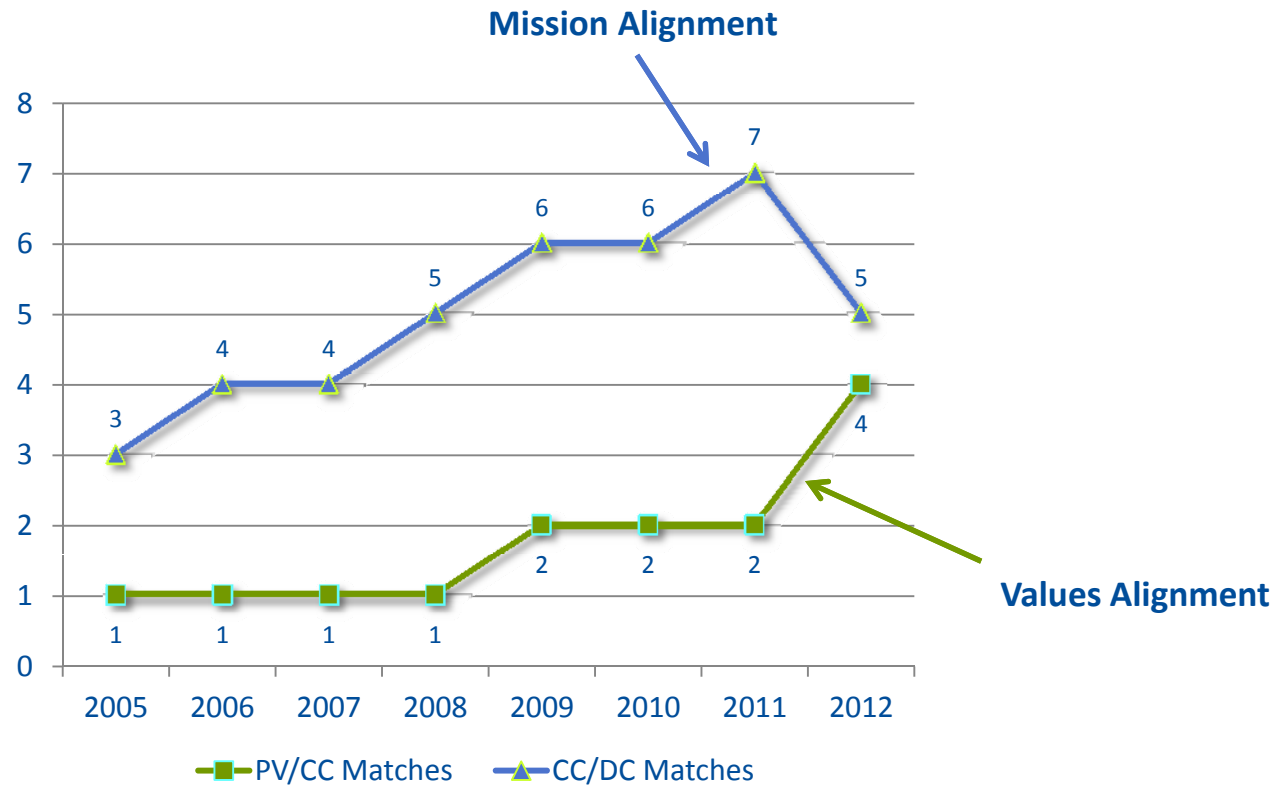
Entropy reduced or stayed the same every year. Entropy reduction led to improved performance through increased employee engagement—increased revenues, productivity, share price, etc.

Working toward entropy of 10% will result in healthy functioning of the organisation and improved staff morale.

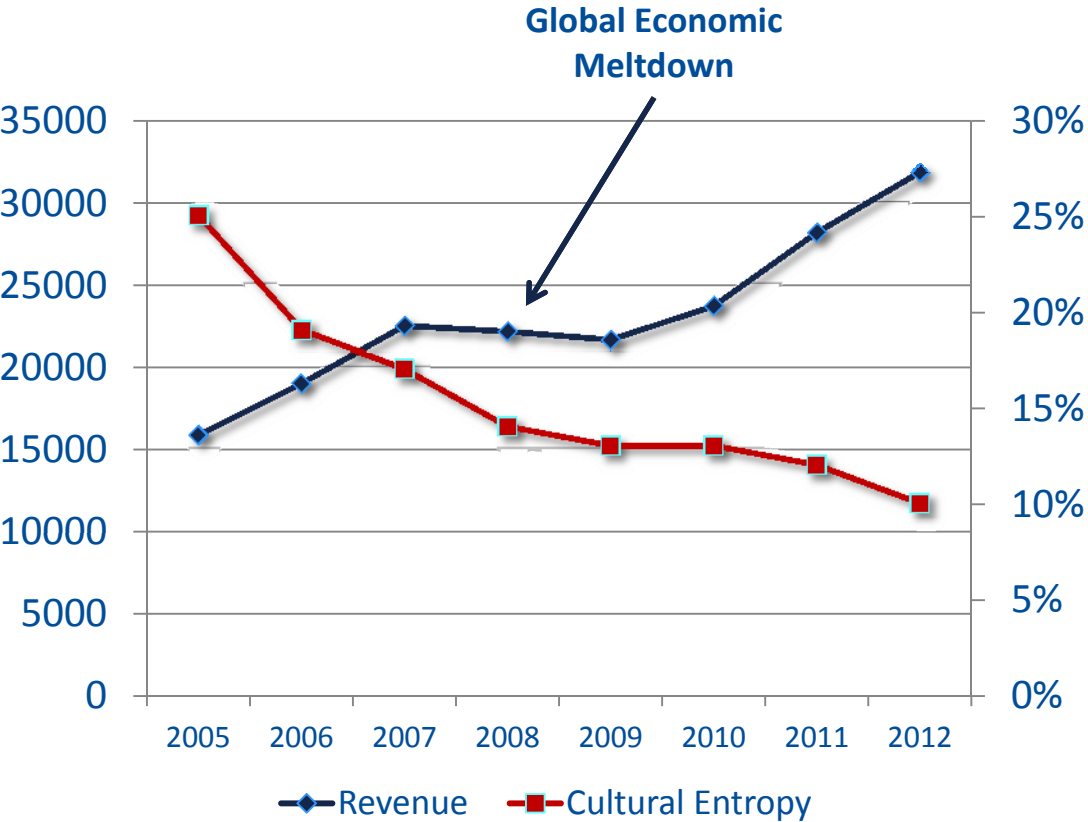
Entropy risk bands

0 -10%	Healthy functioning
11-20%	Some problems
21-30%	Significant problems
31-40%	Serious situation
41%+	Critical situation

Values Alignment and Mission Alignment

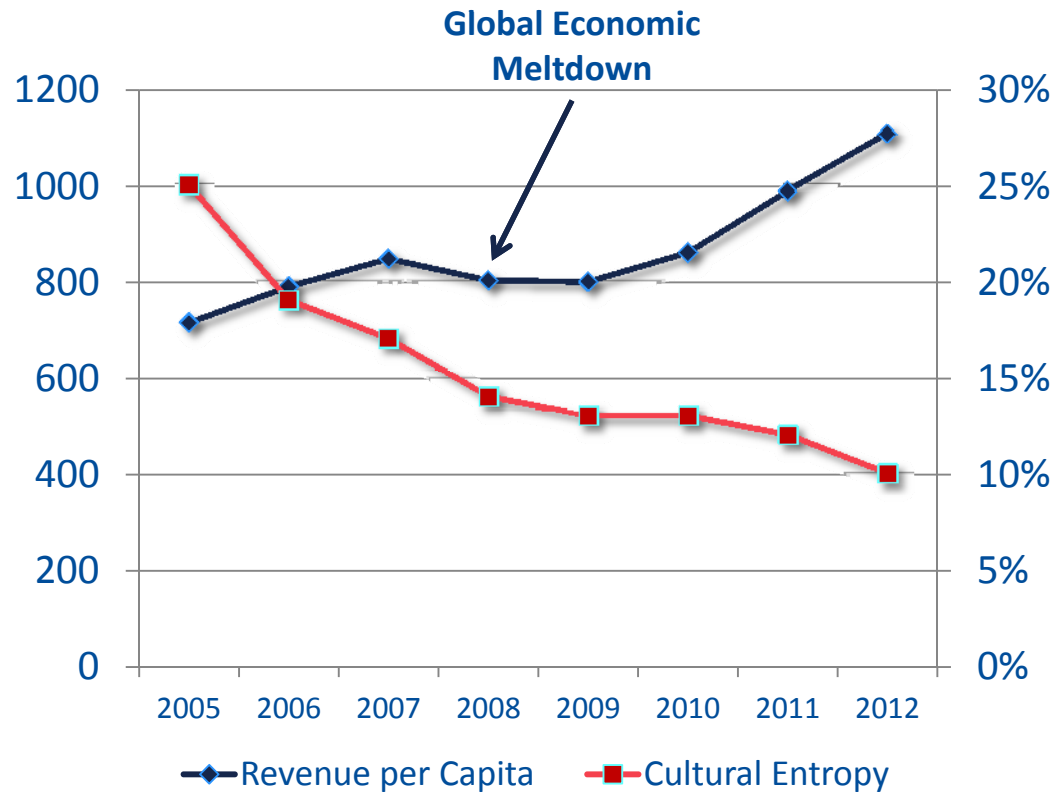


Revenue Evolution



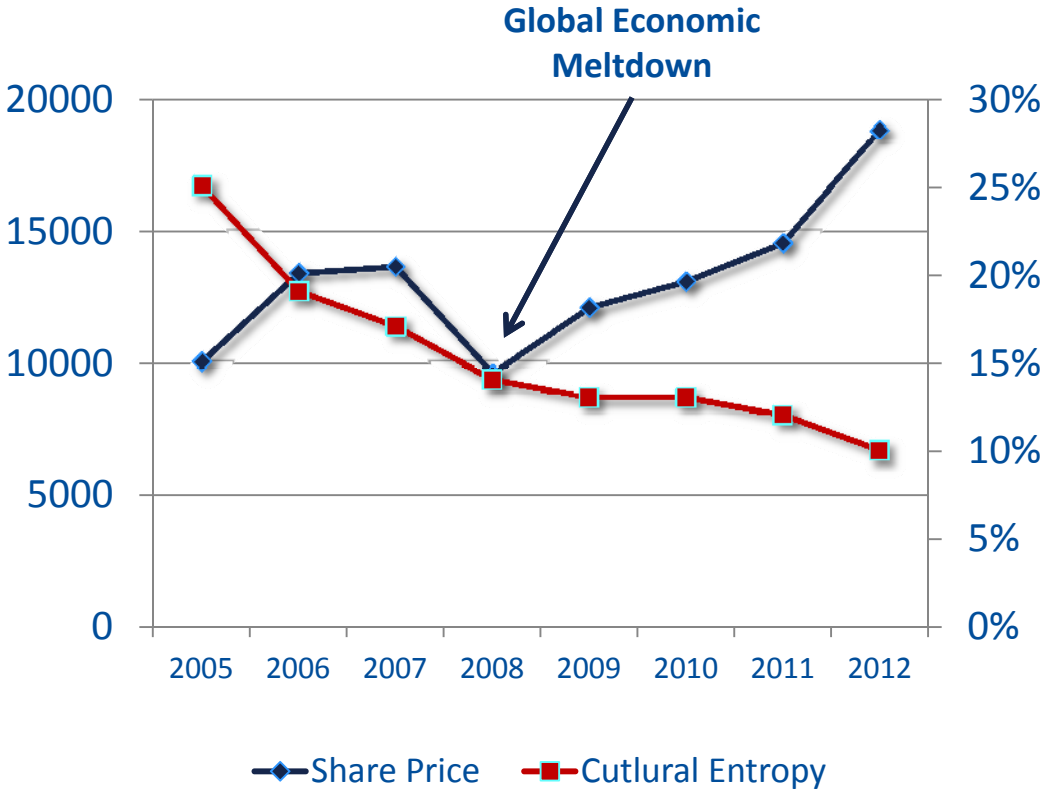
Total revenue increases as cultural entropy falls.

Productivity Evolution



Revenue per capita increases as cultural entropy falls.

Share Price Evolution



Share price (cents) increases as cultural entropy falls.

Low entropy organisations are extremely resilient.