Values alignment using the Five Core Systems

What does it mean, in practice, to build an organizational culture based on strong values? It’s become a management truism that organizations need a set of values to define their identity and drive their strategy. Yet there’s still something missing from the conventional wisdom: a specific, step-by-step pathway to align decisions and practices with values. Without that, even deeply held values are destined to become purely decorative: a poster on the wall or a plaque in the lobby instead of the living heart of the organization.

**We look at values alignment in terms of systems.** Our Five Core Systems model identifies basic processes common to all organizations that define how an organization, group, or team functions. Your organization can either express or undermine its values through these five systems:

1. **Decision-making:** This system comprises all agreements about who makes which decisions, using what process, with input from whom, telling whom the result. Are all these agreements aligned with organizational values?
2. **Information flow:** Simply put, information is to an organization as blood is to a human body. Vision, purpose, and direction might flow outward from the center, while ideas, wishes, and feedback flow inward from everywhere. Is the way that information flows throughout the organization – particularly from those in leadership positions to others, and vice versa – aligned with values?
3. **Feedback loops:** Team members and leaders need learning-oriented feedback to help them function more effectively and in line with organizational values. Is the choice about who gives feedback to whom, when, and for what specific purpose consistent with values, or is “feedback” actually a subtle mechanism for reward and punishment?
4. **Conflict resolution:** In the absence of a conscious choice about how to resolve conflict, organizations tend to revert to punitive methods, losing the opportunity to fine-tune systems and relationships and increase their alignment with values. Is there an established method for attending to conflict? Does the way conflicts are handled support learning and reinforce values?
5. **Resource allocation:** Since decisions about budgets, pay, and human energy so powerfully affect organizational functioning, clarity and transparency in this area are particularly important. What values does the organization or team reflect in the way it distributes resources – financial, human, and otherwise?

When our consultants work with an organization or team to bring values to life, the process is threefold:

- **Identify core values** and make them explicit
- **Elucidate the group’s Five Core Systems**, including the policies, procedures, practices, agreements, and structures that make up each system
- **Find and close gaps** between core values and core systems.

We encourage clients to articulate the values that truly motivate their organizational culture, rather than aspirational values, and to embody those values as clearly and concretely as possible through the Five Core Systems framework. When everyone connected to the organization can recognize the authenticity of the stated values and can immediately see and feel increased alignment, the resulting enthusiasm and commitment easily outweigh the initial investment in the alignment process.