



What? Your Organization Doesn't Have a Constitution?

S. Chris Edmonds

Most senior leaders put greater thought into their organization's products than they do its culture. Yet culture drives everything that happens in an organization each day, including what leaders pay attention to, whether problems are ignored or resolved, and how employees and customers are treated.

Of course, understanding the need for an effective culture is one thing. Creating and managing that culture is another. How does one go about creating something that, on one hand is so important, but on the other seems so amorphous?

Through the creation of an organizational constitution.

An organizational constitution is a formal document stating the company's guiding principles and behaviors. These liberating rules present the best thinking on how the organization wants to operate. It's a "North Star," a Magna Carta that outlines a clear playing field for performance and for values.

An organizational constitution paints a vivid picture of success, values, and behaviors, and how to work from that picture each day. It gives employees' jobs meaning and clarity.

Once the constitution is written, senior leaders can live it, lead it, and manage to it. Employees have a clear understanding of how they can do their best work and how the organization can prosper.

What is an organizational constitution, and why do you need one?

Like the Constitution of the United States, an organizational constitution is a written charter of the organization's government. Like the Magna Carta ("Grand Charter") of Medieval England, an organizational constitution outlines specific rights and expectations of organizational members.

Most organizations focus entirely on results and performance. Great organizations balance the focus on performance with a focus upon the right values. They deliver on performance promises while demonstrating values like integrity and creativity.

In most organizations, performance metrics are closely scrutinized with dashboards that automatically update hourly or even more frequently. Performance management systems focus on goal planning, goal accomplishment, exceeding performance expectations, and the like.

What is missing in these organizations is a definition of how to be great corporate citizens, a descriptive minimum standard of HOW people and customers shall be treated in every interaction.

In addition to clear performance metrics and monitoring, organizations need an equally clear and equally closely monitored set of expectations and metrics for demonstrating desired values.

The organizational constitution perfectly addresses this gap. It is a written document that formalizes the organization's purpose (reason for being, today), values, strategy, and goals.

The most important elements of an organizational constitution are values and valued behaviors. These are the foundation of great corporate citizenship so they need to be clearly defined in observable, tangible, and measurable terms.

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Here is how one client outlined its “integrity” value and valued behaviors.

Value: Integrity

Definition: We are accountable for our actions. We do what we say we will do. We do not compromise our organization’s values, ever.

Behaviors:

- I hold myself and others accountable for commitments and actions.
- I attack problems and processes, not people.
- I accept responsibility and apologize if I jeopardize respect or trust.
- I, through words and actions, support team members within my function and throughout the company.
- I foster and nurture positive relationships among team members.
- I align all of my plans, decisions, and actions with the organization’s purpose and values.

The behaviors are in the form of “I” statements, are positively described, and outline what you want people to DO daily. This lets every leader and employee know how they are expected to behave in order to demonstrate the organization’s integrity value.

These valued behaviors become the metrics for great corporate citizenship. Systems to measure the degree to which leaders and employees demonstrate these behaviors are created to provide everyone with their values dashboard.

What are the risks of *not* having values defined in behavioral terms? It means that people can and will do *anything* to meet performance goals—poach customers, overpromise, stretch the truth to gain advantage, withhold information so a peer fails, the list goes on and on.

These experiences cause talented, values-aligned players to check out (to quit and stay) or to leave your organization. They cause customers to take their business elsewhere, where they’ll be treated with service and grace. They cause recovery due to missed deadlines, missed quality, internal conflict, and worse.

All of these actions and reactions cost you money.

You can’t afford to operate without an organizational constitution.

How Do You Create Your Organizational Constitution?

Your organization may not have any formal mission or values statement in place today. Or, there may be a mission/values statement (dusty though it may be) that can serve as a starting point.

Begin by creating a purpose statement that describes why your organization exists today.

Why a purpose statement? Readers may be pondering the need for or benefit of a purpose statement. Organizational purpose or mission statements have been around since the 1960's. Research indicates that organizational statements like these are consistently beneficial to the company's success and long-term survival.

How do you know if your organization's purpose or "reason for existence" is well understood? If asked what their organization's purpose is, most employees will say, "to make money for stakeholders," or "to sell cars," or (insert your company's main product here).

The answers you get from employees tell you the messages they've heard from bosses and leaders, day in and day out.

It is true that organizations must be financially viable to sustain their business over time. It is rarely true, however, that making money is a company's *sole* purpose!

Your organization's purpose statement needs to be compelling and inspiring for leaders and employees, boosting their pride and enthusiasm for their work each day.

A clear purpose statement explains what your company does, for whom, and “to what end”—what your “service promise” is from your customers' perspective.

Here is a fine example from one of my culture clients:

“Our purpose is to deliver quality, on-time product communication solutions that inspire consumers to purchase our customer's products and services.”

This is a clear statement of what they do (quality communication solutions) for whom (their customers) so that consumers buy their customers' products and services.

Creating a compelling, inspiring “present day” purpose statement for your company is the foundation of your organizational constitution.

Next, describe the positive values or principles you want every leader and employee to demonstrate in daily interactions, with internal and external customers.

You need to formalize 3-5 values (with definitions and behaviors). More than five are hard for your leaders and staff to remember and embrace.

Though your company may not have defined values today, your organization does have demonstrated values and norms. They may not always be desirable values, but they are present.

Look for desirable valued behaviors that are acted on in your workplace today. It is very likely that you have benchmark, values-aligned players you can learn from—and clone, to some extent! Ask yourself, “How do our company’s great corporate citizens behave today? What do they do—how do they treat others—that makes us proud?”

Add to this list any additional values you would like to see leaders and employees demonstrate with each other, peers, and customers. Consider these values:

<i>Abundance</i>	<i>Freedom</i>	<i>Nobility</i>	<i>Service</i>
<i>Agility</i>	<i>Fun</i>	<i>Outrageousness</i>	<i>Significance</i>
<i>Audacity</i>	<i>Generosity</i>	<i>Passion</i>	<i>Stability</i>
<i>Brilliance</i>	<i>Harmony</i>	<i>Philanthropy</i>	<i>Teamwork</i>
<i>Creativity</i>	<i>Humility</i>	<i>Poise</i>	<i>Trust</i>
<i>Dream</i>	<i>Integrity</i>	<i>Proactivity</i>	<i>Valor</i>
<i>Excellence</i>	<i>Learning</i>	<i>Responsiveness</i>	<i>Wonder</i>

As noted in the “integrity” example above, the format for the values statement in your organizational constitution is as follows:

Value: the one or two word value title

Definition: a two or three sentence description that clearly states what you mean by this value in your workplace.

Behaviors: These are “I” statements that explain exactly how you expect leaders and employees to do to demonstrate this value in your workplace. List no more than four behaviors per value.

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Here's an different example of how a culture client in the retail business defined one of their core values:

Value: Customer Service

Definition: Our customers are the reason we're in business. By giving them superior service at every opportunity, we exceed their expectations. When we exceed their expectations, we're at our best.

Behaviors:

- I initiate friendly hospitality by promptly and enthusiastically smiling and acknowledging everyone that comes within 10 feet.
- I passionately exceed customers' expectations by offering solutions to their needs.
- I ensure each customer is assisted in finding requested items.
- I deliver a clean, fast, friendly experience to every customer.

These behaviors are stated in observable, tangible, and measurable terms. Just as organizational leaders manage to performance standards, these behaviors become values standards that are lived and proactively managed by leaders first, then embraced by all staff.

Senior leaders must build buy-in across the organization by distributing the draft purpose, values, definitions, and behaviors to all staff. They will invite employee input and feedback with a limited timeframe (two weeks, maximum, is great). They'll let staff know that they, the senior leadership team, will consider all suggestions (edits, additions, etc.) and will publish the final draft in a short time frame (two weeks later is appropriate).

The purpose and values sections of your organizational constitution will probably require the most time to create as well as the most time to embrace. Values clarity is unusual in organizations. Leaders as well as staff will need time to consider how these new expectations will fit into their work lives.

A clear purpose statement answers the “what” question: what does your company do? A clear values statement answers the “how” question: how will people be treated as business activities happen? The last two questions that must be answered in your organizational constitution are “why” (corporate strategy) and “results” (performance goals).

Goals are typically better understood throughout an organization than the company's strategy. Performance management systems can help make goal expectations clear and measurable. There are more frequent discussions and more tangible metrics for performance goal monitoring.

Company-wide goals must be formalized in your organizational constitution. They describe the results expected of the company in the coming performance period.

How clear, though, is your organization's strategy? If you ask frontline staff what they believe the company strategy is, you may be unpleasantly surprised. Staff may not be able to articulate any specific strategy, or if they can it's an ancient, dusty strategy that isn't relevant to the business today.

Your strategic statement must outline the best avenues, in the current global marketplace, for your company to serve its defined purpose. Those avenues might include development of new products or services, pursuing emerging markets for existing products and services, responding to competitors' actions (which provide opportunities), or changing conditions that may present opportunities.

By formalizing your company strategy and communicating it clearly as part of your organizational constitution, you can reduce confusion about why decisions are made and increase understanding of what decisions support the company's strategy.

How Do You Manage To Your Organizational Constitution?

Here's where the real work happens. Too many of us have seen great programs be announced yet falter soon after, often because of a lack of structure, discipline, and follow through.

Your organizational constitution describes the specific behaviors required for values alignment as well as the performance expectations that will keep the company successful. Leaders must live the constitution and hold all staff accountable for living the constitution in every daily interaction.

The primary responsibility for culture management lies on the shoulders of senior leaders. They must serve as credible culture champions or the constitution will be another “flavor of the month.”

Senior leaders must invest time, energy, and enthusiasm in values alignment—modeling values, coaching to values, and holding themselves and all other staff accountable for living the values.

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Modeling | Once the organizational constitution is published, scrutiny of senior leaders increases drastically. Other leaders and employees must see the senior leadership team demonstrate the valued behaviors consistently, daily, or those other leaders and employees will never embrace those behaviors themselves.

Garry Ridge, WD-40's president and CEO, says, "Values must be lived, not visited." Embracing the organization's new valued behaviors will likely require changes in the way senior leaders interact and communicate (with each other, with other staff members, and with customers).

Senior leaders' every plan, decision, and action will be assessed on the degree to which they align with the valued behaviors. There can be no excuses. Senior leaders must demonstrate the valued behaviors consistently.

Coaching | To ensure all leaders and staff model the new defined valued behaviors, senior leaders must coach daily—sometimes hourly. Coaching does not mean one exclusively points out where they're making mistakes; it means one offers feedback about aligned behavior, about behavior that could be interpreted as mis-aligned, and about behavior that is clearly mis-aligned.

Effective coaching requires not only a caring coach but also a willing coachee; the person being coached must be ready, willing, and able to adapt their behavior based on the coaching received.

Senior leaders must also demonstrate readiness, willingness, and ability to effectively coach. When they see peers modeling desired valued behaviors, they praise and encourage. When they see peers modeling behavior that could be seen as mis-aligned, they provide direct feedback. When they see peers modeling behavior that is clearly mis-aligned, they provide direct feedback.

Senior leaders must demonstrate readiness, willingness, and ability to be coached—by their peers and by their staff.

And senior leaders must also coach next level leaders to ensure they demonstrate desired valued behaviors—praising, redirecting, etc. as with their peers. Rude, aggressive, or selfish behaviors must be addressed promptly.

Holding Everyone Accountable | Senior leaders must first hold themselves and their peers accountable for living the organizational constitution—particularly for demonstrating valued behaviors.

Accountability is consequence management. Consequences—positive or negative—must be applied consistently to support the desired organizational constitution.

When senior leaders see values-aligned players exceeding performance standards, they need to praise, thank, and encourage those players.

When senior leaders see values-aligned players that miss performance standards, they need to arrange training to build needed skills and boost contribution. If those players are unable to meet performance standards, find them a different role in the company. Keep the values-aligned players and fit them into a role where they contribute.

When senior leaders see players that do not demonstrate desired valued behaviors and they miss performance standards, even after training and coaching, they must “lovingly set those players free.” There is no room in your organization for those who thumb their noses at your organizational constitution.

What about players that exceed performance standards but do not embrace the new valued behaviors? These players must also be given the chance to align with the organizational constitution. If, after coaching, they are unable to adapt to the values standards, they must also be “lovingly set free.” Again, there is no room for mis-aligned values.

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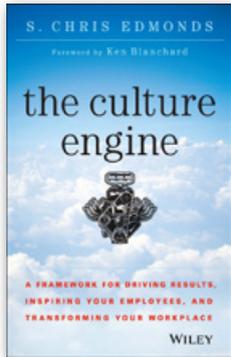
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An organizational constitution has been proven to boost passion, people, and performance. Our culture clients enjoy 40% or greater gains in employee engagement, 40% or greater gains in customer satisfaction, and 30% or greater profit growth, typically in less than 18 months.

How could your business benefit from more enthusiastic, engaged employees...
WOWed customers... and higher profits?

The path is wide open, and it begins with your organizational constitution. 📄

Info



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ABOUT THE AUTHOR | S. Chris Edmonds is the founder and CEO of The Purposeful Culture Group. After a 15-year career leading and managing teams, Chris began his consulting company in 1990. Since 1995, Chris has also served as a senior consultant with The Ken Blanchard Companies. Chris provides high-impact keynotes, executive briefings, and executive consulting and coaching. He has authored four books, including *Leading At A Higher Level* with Ken Blanchard and *#CORPORATE CULTURE tweet*.

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