

CSR, Sustainability, Ethics & Governance

Series Editors: Samuel O. Idowu · René Schmidpeter

Friedrich Glauner

# Values Cockpits

Measuring and Steering Corporate  
Cultures



Springer

# Would You Do Business With Someone You Do Not Trust?

The depth of personal values and integrity of an organization's dominant individuals contributes significantly to the prevailing level of group values and integrity, with some cultures *promoting and facilitating* and others *hindering and prohibiting* the personal integrity of their people coming to the fore. *Intolerance* of low values by leaders of high personal integrity ensures wrongdoing is *not* condoned or repeated, while the *acceptance* of low values by lesser leaders ensures instances *are* permitted and hence more likely to be repeated by the culture prevalent within their organization.

This especially holds true when the culture is all about *winning* at the expense of others, when the *interests* of a small group are prioritized over the many, when those in charge believe they are right and everyone else wrong, perhaps more accustomed to telling than listening, when those who "*lay down the law*" believe they are above it, when *rules* are made which unnecessarily negatively impact on people's lives, when loyalty is misplaced, when a collective *pride* prevents apologies being offered or previous mistakes being acknowledged and rectified, when *covering up* is prioritized over *owning up*, when those who care sufficiently to *speak up* can be vilified, ostracized, and silenced rather than appreciated, applauded, and respected en route to a change in approach or compromise, and when the *trust* of other people is not the number one priority, rather something that can be put up for negotiation and hence like *reputation* risked, little can realistically be achieved other than just scratching the surface of a "*status quo*" culture which prioritizes and protects "*the way we have always done things*"?

For those skeptical about the importance of values, a simple question could be posed to them: "*would you do business with someone you do not trust?*" Trust is such a critically important commodity that it may only be sufficiently appreciated *after* it has been damaged or lost, which may transpire to be too little, too late. Not unlike everything else which has been lost, trust mislaid may never be found again. As with all things which have been damaged, trust may well be beyond repair. No matter what those tasked with its protection do or how hard they try, it may never be restored.

But how can we achieve or restore *trust*? How can we *change*, as both individuals and groups of people, to do more often what we know in our hearts we should be doing—but when most required, don't? Friedrich Glauner advises us in great detail how we can *do the right thing even when no one is looking*, thus laying the mysteriously invisible cultural foundation for unforeseen success. Change requires flexibility and adaptability, yet this seems to be beyond some people and organizations who lack the *imagination* to be aware of their changing environment and skill to adapt accordingly.

Many authors propose that an organization change its culture. Many advocate a return to quite noble and worthy values. Many recommend that integrity be more prevalent among leaders of business, organizations, and indeed society. All these authors should be applauded for doing so. Society needs such people to take a critical look at “the way things are done” and recommend that we all do better. But how many authors *also provide guidance* on how this can be achieved? One seldom sees practical advice on *HOW* strong values can be automatically practiced on a daily basis by all concerned. *Implementing* poses a far greater challenge than *advocating* more virtuous behavior. That is what makes Friedrich Glauner's approach to this remarkable book so refreshing. Too few people plying their trade in academic circles have already also done so in industry or in commercial organizations before they switched their attention to teaching and researching in lieu of managing and leading.

The language that business people recognize is often less theoretical and more practical. Stating the case for good behavior needs to be more than just taking exemplary decisions and engaging in astute actions for the sake of “being ethical.” Integrity opens doors which ethics closes. When business people are advised to be “more ethical,” many can tend to associate this with philosophical notions which too few see little role for in their organization. *Ethics* per se is too seldom discussed in boardrooms or meeting rooms or workplace restaurants and canteens.

But business people do understand *integrity*. They appreciate the importance of *trust*. They know if they are not *professional* their clients may go elsewhere. They are aware that if they lose their *reputation* they may also lose out business to their competitors and perhaps even go out of business. So words like Trust, Reputation, Integrity, and Professionalism (TRIP for short) do remind businesspeople that doing things right leads to longer term survival and success, even if this may require every now and then their *saying no* to something which seems more expedient in the short term but which could damage trust and reputation if exposed. Many leaders and managers know what they *should* be doing but don't know *how* to do it. They read about values. They know they are important. They have their own values. But they may not know how these can be inculcated in the minds of everyone who works for their organization. Who can they turn to for guidance?

Because Friedrich Glauner was an entrepreneur before he was an academic and a businessperson before he started writing about business, he understands the challenges that leaders and owner-managers face. As an academic he appreciates that many of his tremendous teaching peers lack the experience gained at the coalface of business so can admirably advocate the critical importance of values, but be less

sure how to advise they be *implemented* throughout an organization and be comfortably *inculcated* in the minds of its people. The *critical test* comes when managers or employees may be tempted or asked to do something which their personal values tells them may be *wrong*. When the organization has a *methodology* whereby people at all levels can raise their concerns and feel they will not only be listened to but also more likely to be acted on and responded to, everyone wins and people go home comfortable and sleep well. They look forward to coming in to work the next day and are more likely to perform their best. But when the organization lacks a methodology to try and steer the ship when it encounters stormy waters, its people may become seasick, be uninspired, and underperform. The ship risks being holed below the water line, constantly fighting integrity challenges, and ultimately sinks to the bottom.

The tool of the Values Cockpit developed by Friedrich Glauner has the potential to become the tool of choice for solving this practical task of aligning corporate values toward a conduct of business which will excel not only in financial terms but also result in a dynamic state of organizational excellence whereby corporate policies and practices *inspire* the crew and other “stakeholders” to produce their best and inculcate a culture of *doing the right thing*, thereby securing what Glauner calls *the basis of true corporate future viability*. Thus, his book is taking the seminal findings of Jim Collins on building great companies a step further. As Collins advised us in *Good to Great*:

“...leaders who ‘build enduring greatness through a paradoxical blend of personal humility and professional will’ also ‘channel their ego needs away from themselves and into the larger goal of building a great company. It’s not that [these] leaders have no ego or self-interest. Indeed they are incredibly ambitious, but their ambition is first and foremost for the institution, not themselves...’”

While *excessively competitive* leaders who may lack the vision and insight required to recognize that their personal values may actually be damaging to the organization will indeed be less likely to read let alone benefit from a book such as this, those who favor *cooperation and collaboration*, tact and patience over retaliation and retribution, inclusion over exclusion, humility over pride, and honesty over dishonesty will be more likely to benefit from the practical wisdom suggested by Friedrich Glauner. For them “Values Cockpits” may well also prove to be a groundbreaker, as it delivers what Jim Collins’ influential book may lack: a step-by-step analysis and recipe on how to implement, measure, and steer a corporate culture embodying trust and excellence in a realistic and achievable manner.

Leaders with the foresight to concur with Glauner’s opinion that *sustainable values lay the foundation for entrepreneurial excellence* will appreciate that he has done far more than advocate the importance of values as he combines his own entrepreneurial background and teutonic logic to propose many practical and creative suggestions, inspiring them to have the courage to take not just the easier to implement but also more challenging decisions. They will find that the values advice and template Glauner provides in this unique “Values Cockpits” book may well not only prove to be a cornerstone cementing business survival and a bedrock

for growth but may actually equip captains of industry and other leaders with the insight required to pilot their organization on its own long-haul flight, avoiding unnecessary turbulence while gradually and simultaneously transforming it on the arduous journey from being merely good to inspirationally great.

**Chartered Accountant and Management Consultant** **Julian Clark**  
**European Business Ethics Network**  
**Ireland**  
**February 2017**

... advised us in Good to Great...  
... leaders who build enduring greatness through a paradoxical blend of personal humility...  
... and professional will...  
... the greatest of building a great company is the fact that for the most part organizations...  
... are not naturally inclined to do so...  
... While essentially competitive leaders who may lack the vision and insight...  
... required to recognize that their personal values may actually be damaging to the...  
... organization will indeed be less likely to read for clues about their book such as...  
... the three who favor cooperation and collaboration for achievement over rival...  
... lion and territorial inclusion over exclusion, humility over pride, and honesty...  
... over dishonesty will be more likely to benefit from the product when suggested...  
... by Friedrich Glauser. For their "Values Colloids" may well also prove to be a...  
... groundbreaking as it differs what Jim Collins' influential book may lack a step-by-...  
... step analysis and recipe on how to implement, measure, and assess a corporate...  
... culture embodying trust and excellence in a realistic and achievable manner...  
... to leaders with the foresight to consider it. Glauser's opinion that...  
... values are the foundation for successful business executives will appreciate that he has...  
... done far more than advance the importance of values as he combines his own...  
... environmental challenges and authors legal to prepare clear, practical and...  
... creative suggestions inspiring them to have the courage to take not just the easier...  
... to implement but also more challenging decisions. They will find that the values...  
... advice and insight Glauser provides in this unique "Values Colloids" book may...  
... well not only prove to be a remarkable connecting business survival and a best-seller...  
... but also a catalyst for the successful attainment of an organization's long-term...

# Contents

<b>1</b>	<b>Introduction: How to Survive in a Changing World</b> . . . . .	<b>1</b>
1.1	Sustainability: The Entrepreneur's Touchstone . . . . .	1
1.1.1	The Five Natural Principles of Commercial Value Creation . . . . .	4
1.1.2	Human Systems Development . . . . .	8
1.1.3	The Ethicological Foundations of Sustainable Enterprise . . . . .	9
1.1.4	The Awareness Resource . . . . .	13
1.2	Value and Values: The Engines of Enterprise . . . . .	16
1.3	Corporate Ethics: The Socio-Psychological Underpinnings of Compliance . . . . .	21
	References . . . . .	23
<b>2</b>	<b>Corporate Values: The Third Systemic Factor for Excellence in Enterprises</b> . . . . .	<b>27</b>
2.1	A Company Check-Up as a Thought Experiment . . . . .	27
2.2	The Proposition: CSR and Corporate Cultures as Value Creation Processes . . . . .	28
2.3	Managing Values: The Third Systemic Factor for Entrepreneurial Success . . . . .	29
2.4	About this Book . . . . .	30
2.5	Benefits for the Reader . . . . .	31
	Reference . . . . .	32
<b>3</b>	<b>Values Cockpits and Values Management</b> . . . . .	<b>33</b>
3.1	Boundaries Set Values—Values Set Boundaries: A Framework for Working with Values in Enterprises . . . . .	34
3.1.1	Resources . . . . .	34
3.1.2	Markets . . . . .	35
3.1.3	Human Capital . . . . .	35
3.1.4	Growth and Lean Management . . . . .	35
3.1.5	Clients . . . . .	36

3.1.6	The Promises of Sustainability . . . . .	37
3.1.7	Consider the Bees . . . . .	37
3.2	A Grammar of Values . . . . .	39
3.2.1	The Dynamics of Values in Business . . . . .	41
3.2.2	The Psychology of Values . . . . .	42
3.2.3	Social Systems . . . . .	51
3.2.4	Values Spectacles . . . . .	58
3.2.5	Dilemmata of Corporate Ethics: Self-Referentiality, Blindness, Dominance . . . . .	63
3.3	The Strategic Underpinnings of the Values Cockpit: C4 Management . . . . .	77
3.3.1	Corporate Identity . . . . .	80
3.3.2	Corporate Knowledge . . . . .	82
3.3.3	Corporate Organization . . . . .	83
3.3.4	Corporate Values . . . . .	85
3.3.5	Values-Oriented Leadership . . . . .	87
3.3.6	Conclusion: C4 Management . . . . .	88
3.4	Values-Oriented Leadership: Building the Values Cockpit . . . . .	89
3.4.1	Drivers of Corporate Cultures . . . . .	91
3.4.2	The Values Lifecycle and the Sandwich Principle of Values Management . . . . .	93
3.4.3	Values Strategies . . . . .	96
3.4.4	Values Conflicts . . . . .	99
3.4.5	Leadership Responsibility . . . . .	102
3.4.6	Communication . . . . .	103
3.4.7	Building the Values Cockpit . . . . .	105
3.4.8	Enacting Values: The Process . . . . .	110
3.4.9	Summary: The Operational Layout of a Values Cockpit . . . . .	115
	References . . . . .	116
<b>4</b>	<b>Values at Work . . . . .</b>	<b>119</b>
4.1	“I Vouch for It with My Name”: Claus Hipp, HiPP GmbH & Co. KG, Pfaffenhofen . . . . .	121
4.2	“A Passion for People”: Michael Hilti, Hilti AG, Schaan, Liechtenstein . . . . .	130
4.2.1	“A Passion for People”: Meeting Michael Hilti . . . . .	133
4.3	“Passion You Can Feel”: Jeff Maisel, Brauerei Gebrüder Maisel KG, Bayreuth . . . . .	149
4.3.1	“Passion You Can Feel”: Meeting Jeff Maisel . . . . .	153
4.4	“Leadership Means Managing People’s Awareness”: Erich Harsch, dm-drogerie markt GmbH + Co. KG, Karlsruhe . . . . .	163
4.4.1	“Leadership Means Managing People’s Awareness”: Meeting Erich Harsch . . . . .	168
4.5	“Knowledge Is the Only Resource that Grows When It Is Used.” Rudolf F. Schreiber, Pro Natur GmbH, Frankfurt/Main . . . . .	182

4.5.1	“Knowledge Is the Only Resource that Grows When It Is Used.”: Meeting Rudolf L. Schreiber . . . . .	183
4.6	Lessons Learned: Corporate Cultures as Value Creating Processes . . . . .	193
4.6.1	Values Cockpits at Work . . . . .	195
4.6.2	Corporate Culture as a Frame of Reference . . . . .	200
4.6.3	Entrepreneurs’ Values and Company Values . . . . .	201
4.6.4	CSR and Values-Oriented Management as Value-Adding Processes . . . . .	203
	References . . . . .	211
<b>5</b>	<b>Values: A Seedbed for Commercial Value . . . . .</b>	<b>213</b>
5.1	“Functional Responsibility”: Dr. Christian Pophal, Infineon AG, Neubiberg . . . . .	214
5.1.1	“Functional Responsibility”: Meeting Dr. Christian Pophal, Senior Director Sustainability and Business Continuity Planning . . . . .	215
5.2	Values in the Eddies of the Markets . . . . .	220
5.3	Values in the Eddies of Consumer Dynamics . . . . .	224
5.4	The Economic Logic of Values in Business . . . . .	230
5.5	Values in the Eddy of Social Systems: From Corporate Cultures to Corporate Ethics . . . . .	236
5.5.1	Leadership Values and Leadership Systems . . . . .	242
	References . . . . .	249
<b>6</b>	<b>Final Thoughts: Businesses and the Values Cockpit . . . . .</b>	<b>253</b>
<b>7</b>	<b>Appendix . . . . .</b>	<b>255</b>
7.1	Appendix I: The Values Manifesto: 12 Propositions . . . . .	255
7.2	Appendix II: Checklist: Creating a Values Cockpit . . . . .	256
	<b>On the Author: Dr. Friedrich Glauner . . . . .</b>	<b>259</b>
	<b>Glossary . . . . .</b>	<b>261</b>
	<b>References . . . . .</b>	<b>265</b>
	<b>Person Index . . . . .</b>	<b>267</b>
	<b>Company Index . . . . .</b>	<b>271</b>



CSR, Sustainability, Ethics & Governance

Series Editors: Samuel O. Idowu · René Schmidpeter

Friedrich Glauner

## Values Cockpits

Measuring and Steering Corporate Cultures

This book answers the question of how soft factors such as corporate cultures and individual and corporate values can be transparently steered. With its C4 management tool and reflecting the seven driving forces of corporate culture, the Values Cockpit is a powerful solution designed to steer all dimensions and processes of a company, pursuing a lean approach.

The book links strategic approaches on how to steer a company towards excellence with insights into the driving forces of human thoughts and actions. It subsequently introduces the Values Cockpit, which allows individual corporate cultures to be developed and controlled on the basis of a rational approach.

*"This intriguing book breaks new ground in suggesting that values can be managed quite as systematically as any other centrally important asset."*

**Rebecca Henderson**, John and Natty McArthur Professor, Harvard University

*"... a deeply articulate, profoundly relevant explication of the role played by the culture of commerce ... rich with actionable tools, insights and clear examples ..."*

**Richard J Hill IV**, Founder, Gabriel Consulting Group, LLC

*"One seldom sees practical advice on HOW strong values can be automatically practiced on a daily basis by all concerned. That is what makes this remarkable book so refreshing ... his book is taking the seminal findings of Jim Collins on building great companies a step further ..."*

**Julian Clarke**, Chartered Accountant and Management Consultant,  
European Business Ethics Network Ireland

*"... a brilliant yet succinct guide to teach the significance of values-development in sustainable business management ..."*

**Professor Dr. Haifeng Huang**, Assistant Dean, Peking University HSBC Business School,  
Shenzhen, China

*"He admirably rejects the fatalist interpretation of the immoral might of markets and replaces it with a counter-narrative of why and how companies can be part of the solution rather than part of the problem."*

**Professor Dr. Claus Dierksmeier**, Director of the Global Ethic Institute,  
Eberhard Karls University of Tübingen

*"The values cockpit gives readers a coherent and comprehensive toolkit to help them prepare their companies for lasting success."*

**Dr. Kurt Schmalz**, C.E.O and Managing Partner J. Schmalz GmbH, Glatten, Germany

Management / Business for

Professionals

ISSN 2196-7075

ISBN 978-3-319-58511-6



9 783319 585116