



**VALUES & VALUE TRANSFORMATION  
IN THE GLOBAL VILLAGE**

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Greg Smith's actions in publicly exiting Goldman Sachs this month with an open letter in the New York times lamenting the lack of values in the venerable investment bank powerfully underscores the values point. Two days later, Goldman Sachs had lost over \$2.3 billion in market value. Values are inextricably linked to value transformation in the Global Village, where social media can empower a previously anonymous middle management executive to open and expose the values deficit in corporate behaviour in a seemingly invincible global company, with devastating consequences.

### **Unmet needs versus the voice of the customer**

We know the mantra calling for organisations to listen and respond to the voice of the customer. Fair value delivery is a given, challenging established organisations to be flexible and adaptive to respond to changing customer needs and expectations. Value transformation goes further. It begs the question of the underlying values, and the unspoken needs and desires of organisation stakeholders. To deliver value transformation and accelerated growth, organisations must engage in an in-depth discovery process of the life of the customer. What are the unmet needs? Where are the gaps in product and service delivery? To build value and trust, it is in perceiving and responding to those needs that are not necessarily yet articulated or expressed .

### **Values assessment**

In Gary Hamel's 2012 book on 'What Matters Now', he underlines the concept of stewardship. Value transformation is about resilience and sustainability over time. For that, organisations need leaders with a long-term horizon and an aligned accompanying set of values. In particular, says Hamel, these must include:

1. Fealty: the propensity to view the talents and treasure at one's command as a trust rather than as the means for personal gain.
2. Charity: a willingness to put the interests of others ahead of one's own.
3. Prudence: a commitment to safeguard the future even as one takes advantage of the present.
4. Accountability: a sense of responsibility for the systemic consequences of one's actions.
5. Equity: a desire to ensure that rewards are distributed in a way that corresponds to contribution rather than power.

How much more deceit, hubris, myopia, greed and denial must we witness in the behaviour of organisation leaders before stakeholders rebel? Wall Street sit-ins may just be the beginning of a transformation in what is truly valued and tolerated.

### **Translating value transformation into a values agenda**

We would do well to reflect on the following values failures identified by Hamel in 'What Matters Now' in leading organisations towards sustainable transformation and growth in the global village, with a commitment to oppose and counter:

1. An even bigger share of the world's wealth going to an ever smaller global elite.
2. Companies spending millions to tilt the regulatory playing field in their favour.
3. Huge pay differentials between top management and first-level employees.
4. Governance structures that are designed to deflect shareholder concerns.
5. Companies treating employees as mere factors of production.
6. Executives reaping outsized reward for mediocre performance.

7. Companies awarding the majority of their share options to a handful of senior executives.
8. Companies that resist call for greater transparency and consumer protection.
9. Companies that compromise their values to do business with repressive regimes.
10. Company PR campaigns that fudge the facts and demonise critics.
11. Executives who feel that society's interests are somehow distinct from their own.

### **Passion, creativity and initiative are the keys to value transformation**

In his books, *The Future of Management*, and again in *What Matters Now*, Hamel challenges us to change organisation culture. In the global village, there is an abundance of available labour with sufficient expertise, diligence and obedience. Yet these capabilities will not deliver value transformation. Organisation leaders need to instil a culture and a set of values that encourage and reward passion, creativity and initiative, and position serving the customer as their central focus, if they are to survive and thrive, and add the most value over time.

Goldman Sachs would do well to reflect on the values question posed by Greg Smith, if it plans to continue to be one of globe's great investment banks.

About the author

Dr Grant Sieff is CEO of the IC Growth Group, a research, strategy and leadership development consultancy. He teaches at leading business schools as a visiting professor and senior lecturer. Grant has worked as a vice-president for Citibank in Australia and a partner for Accenture. He consults to leaders at the top levels of organisations across African continent and abroad.

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