



# Why Values-Based Leadership Will Help Your Company Outperform Its Competitors

By Ange Rakov

With so much information available about leadership styles, characteristics and theories, it's easy to get confused about what type of leadership is effective. To date, there is no universally accepted leadership definition or "how to manual", because leadership as an action is very subjective. James O. Toole reminds us that success does not hinge on sure-fire programs and processes because "leadership effectiveness has little to do with matters of what to do or how to do it"<sup>1</sup>. Whether your leadership style and approach is transformational, situational, contingency, servant or another style, a values-based leadership philosophy will effectively complement your style as well as provide your company with a strong foundation to the practice of leadership.

Values-based leadership is the action of articulating the wants and needs of employees by helping them understand and act on the company's shared vision. A values-based leader inspires their employees by listening and understanding their needs, then influencing them to make the necessary changes to accomplish the company's shared vision. These leaders make decisions that are based on the common vision of the employees and the company. They have tremendous integrity for the public, organization, and purpose they serve. A values-based leader has the core values and qualities of integrity, trust, the ability to listen, and respect for the people who follow them, as well as for those who are affected by their leadership. These leaders believe in the collective power of people and facilitate environments where employees can demonstrate their best work. This leadership philosophy is genuine and ensures that employees are not the means to a company's goals, rather the company's goals and employee spirit and purpose are balanced and are given equal weight. In the long run, companies that have the ability to harness their organization's talent and knowledge while balancing employee well being will outperform their competitors.

A values-based philosophy is effective because when consistently practiced, it balances and leverages other key leadership components, including your company's leadership style, ethical decision making frameworks, systems thinking, empowerment, and learning programs. Furthermore, because this leadership philosophy has the basic humanitarian values of trust, integrity, respect, and listening built-in, a values-based leader has the natural ability and desire to relate with their employees or others effected by their leadership.

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<sup>1</sup> O'Toole, J. 1995. *Leading Change Overcoming the Ideology of Comfort and the Tyranny of Custom*, San Francisco: Jossey-Bass Publishers.

Integrity means taking long-term actions that are morally correct, so as to continue the momentum towards the company's shared vision. Trust allows your employees to have mutual hope and loyalty towards the company's shared vision because they consistently witness and are included in values-based role modeling and decision making. Listening is critical in order to practice systems thinking as well as understanding the organization's truths. Respect ensures that employees are not the ends to the leader's goals, but rather included in the process of decision making and the company's achievement. These values reinforce and promote moral character in your company.

In summary, values-based leaders have the competitive advantage because they create an environment and the desire in people to reach their fullest potential. History has demonstrated time and time again, that when a collective group of people are given a challenge or opportunity, they together can be extraordinary.