

Competing Values Leadership

CREATING VALUE IN ORGANIZATIONS

Executive Summary

by

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The Competing Values Framework (CVF) was developed in response to the need for a broadly applicable model that would foster successful leadership, improve organizational effectiveness, and promote value creation. Named one of the 40 most important frameworks in the history of business by *Financial Times*, the CVF is the result of over 25 years of academic research, and it is currently implemented at hundreds of companies around the world.

The premise of CVF is that there are four basic competing values within every enterprise: Collaborate, Create, Compete and Control. These values compete in a very real sense for the limited resources allocated within an organization, such as funding, time, and people. How leadership responds to the tension created between these competing values will shape a company's culture, practices, and products, and ultimately, how successful they will be in creating value.

The authors, four prominent business school professors, present case studies and inspiring stories of how companies have identified their core values, as illustrated in the CVF, and then been able to strategize and prioritize in order to take advantage of their strengths and build weak areas. The authors further offer tested tools and techniques that management can employ in finding untapped potential and growth opportunities.

The book also shows the clear link between leadership behaviors and stock prices. It explains how the Competing Values Framework can be used to predict stock prices. Analysis was conducted for a sample of 2,300 to 3,000 publicly traded firms for each year from 1991 to 1999 in six industries including traditional manufacturing, manufacturing-chemical processes, manufacturing machinery and hi-tech equipment, wholesale trade, retail trade, and services.

The results of this economic data made it clear that the CVF enhances the understanding of how the stock market evaluates and values companies. It was even more useful in being able to predict future market value since the CVF assesses a firm's performance in a way that exceeds normal financial analysis. The CVF can, thereby, provide direction regarding where the investment of corporate resources should be made and provide a blueprint for creating future value.

THE COMPETING VALUES FRAMEWORK HAS BEEN UTILIZED AT



About the Authors

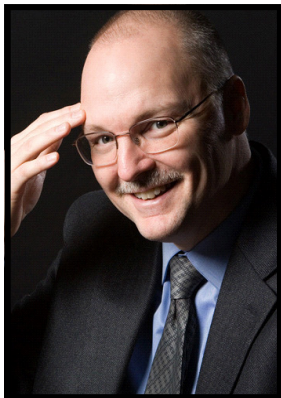
BIOGRAPHY



Kim S. Cameron is a Professor of Management and Organizations at the University of Michigan's Ross School of Business, and he is a Professor of Education at the University of Michigan Center for the Study of Higher and Postsecondary Education. He is a Partner with the Competing Values Company. Cameron's past research on organizational downsizing, organizational effectiveness, corporate quality culture and the development of leadership excellence has been published in more than 70 articles and in seven books.

Cameron's books include: *Coffin Nails and Corporate Strategies* (Prentice Hall), *Developing Management Skills* (Prentice Hall), *Diagnosing and Changing Organizational Culture* (Addison Wesley Longman), *Organizational Decline* (Ballinger), *Organizational Effectiveness* (Academic Press), *Paradox and Transformation* (Ballinger), and *Positive Organizational Scholarship* (Berrett-Koehler).

His current research was funded by the Templeton Foundation and focuses on virtuousness in organizations such as forgiveness, humility and compassion and their relationships to success. He is actively engaged in developing a new field in organizational studies entitled Positive Organizational Scholarship--the examination of extraordinarily positive dynamics in organizations and the factors that unleash the highest in human potential. Cameron holds a B.S. and M.S. from Brigham Young University, and he holds an M.A. and Ph.D. from Yale University.



Jeff DeGraff began his career as a VP at Domino's Pizza, where he was responsible for developing innovative strategy, communication & support technologies, and new business ventures. The title on DeGraff's business cards read "Dean of Innovation" and he led Domino's growth during the 1980's from a regional success story to an international franchise phenomenon. Currently, he is a Professor at the University of Michigan's Ross School of Business, teaching MBA and executive education courses; and the Managing Partner of the Competing Values Company.

Known as the 'guru to the innovation guru' at many Fortune 500 companies, he has created a broad array of tools and methodologies for implementing innovation. DeGraff has shared his expertise in over 30 countries and in multiple industries. He is an in-demand speaker at both academic and business events. DeGraff has also been instrumental in setting up think tanks, innovation incubators, and in advising the investment community on how to select winning ideas that can be transformed into profitable enterprises.

DeGraff has written about innovation in numerous articles and his book, *Creativity at Work: Developing the Right Practices to Make Innovation Happen*, co-authored with Katherine Lawrence (Jossey Bass). His newest book is *Leading Innovation: How to Jump Start your Organization's Growth Engine* (McGraw-Hill), co-authored with Shawn Quinn. He holds a Ph.D. in Educational Technology from the University of Wisconsin-Madison.

About the Authors

BIOGRAPHY



Robert E. Quinn is the Margaret Elliott Tracy Collegiate Professor in Business Administration and Professor of Management and Organizations at the University of Michigan's Ross School of Business. He is a Partner with the Competing Values Company. Bob is interested in the process of positive change. He seeks to understand processes that lead to increased individual and collective capacity.

Quinn is a fellow of both the Academy of Management and the World Business Academy. He combines both a research and an applied orientation. He has 25 years experience in management issues and he has been involved in the design and execution of numerous large-scale change projects. He teaches in both the M.B.A. and Executive Education Programs at the University of Michigan and is known for innovative instructional efforts.

He has published sixteen books. His recent publications include *Deep Change, Change the World*, and *Building the Bridge as You Walk on It*. Quinn earned a Ph.D. in organizational behavior from the University of Cincinnati. He holds a B.S. and M.S. in sociology from Brigham Young University.



Anjan V. Thakor is the Senior Associate Dean and the John E. Simon Professor of Finance at the Olin School of Business at Washington University in St. Louis, Missouri. Thakor is a Partner with the Competing Values Company. He has served on the faculties of the University of Michigan, Indiana University, Northwestern University, and UCLA.

Thakor has worked with many companies, including Whirlpool Corporation, Allison Engine Co., Citigroup, RR Donnelley, Dana Corporation, Anheuser-Busch, Zenith Corporation, Lincoln National Corporation, J.P. Morgan, Landscape Structures, Inc., CIGNA, BorgWarner Automotive, Waxman Industries, Reuters, The Limited, Ryder Integrated Logistics, AT&T, CH2M Hill, Takata Corporation, Tyson Foods, Spartech, and the U.S. Department of Justice.

Thakor is a prolific writer and editor with over 75 articles published. His books include *Contemporary Financial Intermediation*; *The Value Sphere*; *Becoming a Better Value Creator*; *Designing Financial Systems in Transition Economies*; and *Credit, Intermediation and the Macro Economy*. He holds a Ph.D. in Finance from the Kellogg School at Northwestern University.



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